1927.
NEW ZEALAND.

DEPARTMENT OF LANDS AND SURVEY.

DISCHARGED SOLDIERS SETTLEMENT.

REPORT FOR THE YEAR ENDED 31ST MARCH, 1927.

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

CONTENTS.

SIR,— Department of Lands and Survey, Wellington, 30th June, 1927.

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, 1927.

I have, &c.,
J. B. THOMPSON,
Under-Secretary.

The Hon. A. D. McLeod, Minister of Lands.

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.

The Government has given a lead in adjusting soldier settlers' lands to what is considered to be an economic level. It is felt that if the basis of this adjustment is applied to private lands, values will be stabilized and confidence restored. The whole question is bound up in finance, as without the means to get maximum results any land suffers in value through that disability.

During the past year the Board has carried on its functions at a minimum of cost and staff. Meetings have only been held as circumstances warranted, and there is now little to do other than to clear up small matters of revision that come up for attention. The schedules here following show the operations of the Board on the various accounts as at the 31st March, 1927.

J. B. Thompson, Chairman.

Summary of Operations as at 31st March, 1927.

Applications for Revaluation.

Number of applications for revaluation received	5,347
Number of cases dealt with and determinations issued by the 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.

	£
Total capital invested (comprising capital values of Crown leaseholds, and advances under section 2, Discharged Soldiers Settlement Amendment Act, 1917)	17,333,495
Capital dealt with by Dominion Revaluation Board	12,528,835
Reduction in capital by Dominion Revaluation Board	2,584,296

Reduction in Land and Crown Mortgage Values.	£
Reduction in capital value of leaseholds	1,808,812
Reduction in Crown's mortgage (under section 2)	775,484
Total	£2,584,296

Private Mortgages and Debts.

	£
Mortgages and debts of various descriptions owing by soldier settlers to persons other than the Crown	159,958
Reduction obtained in the above by efforts of Dominion Board	120,702
Percentage of reduction to original debt	75·4 per cent.

Private Mortgages and Debts purchased.	£
Original value of mortgages and debts purchased by the Crown	56,531
Price paid by Crown after negotiation	28,936
Discount obtained and which is credited to settlers	21,330
Percentage of discount	37·7 per cent.

The difference represents the amount paid by the settlers themselves to successfully complete the negotiations.

Remission of Instalment Interest and Rent.	£
Granted by Dominion Revaluation Board in respect of arrears at 30th June, 1923	170,630
Granted by Land Boards on recommendation of Dominion Revaluation Board with respect to payments accruing subsequent to 30th June, 1923	193,687
Total remissions	£364,317

Mortgage instalments, rents, &c., automatically written off, due to reductions being retrospective to 1st July, 1921, or date of title, &c.	£427,668

Postponement of Arrears as at 30th June, 1923, granted by Dominion Revaluation Board.	£
Rent, principal, and instalment interest for periods up to ten years	326,118
Instalments to end of mortgage term	127,445
Total postponements granted by Dominion Revaluation Board	£453,563

Postponements of payments accruing subsequent to 30th June, 1923, granted by Land Boards on recommendation of Dominion Revaluation Board	£141,269

An extended schedule gives particulars for each land district under all headings.

Investigation of Current Accounts under the Discharged Soldiers Settlement Amendment Act, 1924.

Number of accounts subject to investigation (approximate)	4,901
Number dealt with at 31st March, 1927	4,835
Remainder (which are practically completed at date of compilation of this report)	66

Manner of Disposal of Cases dealt with at 31st March, 1927.

Current Accounts sustained	4,025
Reductions in Current Accounts (in some of these cases transfers were also made to Suspense Account)	750
Transfers to Suspense Account (apart from those cases where reductions were also made)	60
	4,835

REVALUATION OF SOLDIERS FARMS IN TERMS OF THE DISCHARGED SOLDIERS SETTLEMENT AMENDMENT ACT, 1923.—REPORT AS AT THE 31ST MARCH, 1927.

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, or other date.	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.
			Discharged Soldiers Settlement Account.					
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
North Auckland	1,689,300 0 0	127,015 13 7	25,348 14 6	12,309 9 8	32,303 10 0	34,587 0 5	26,718 4 7	25,222 1 7
Auckland	1,268,499 0 0	186,782 0 0	27,014 0 0	14,943 0 0	31,682 0 0	25,870 0 0	24,661 0 0	17,641 0 0
Gisborne	132,974 0 0	9,077 10 10	2,394 0 6	129 14 0	60 0 0	5,682 11 2	255 12 4	329 2 7
Hawke's Bay	358,773 8 9	19,672 15 10	8,202 18 7	1,166 11 6	3,409 6 10	11,821 3 8	8,358 1 10	5,082 7 6
Taranaki	858,360 17 2	131,088 5 5	28,124 18 2	7,516 6 11	7,128 8 5	15,665 13 3	11,240 15 0	9,459 8 7
Wellington	1,781,002 0 0	143,981 0 0	23,507 8 7	9,902 9 5	16,949 19 11	30,339 18 3	20,523 16 10	4,432 9 1
Marlborough	231,869 16 6	22,518 17 4	5,139 0 2	1,512 19 5	3,793 3 11	5,540 8 5	2,702 18 4	3,444 1 3
Nelson	459,768 18 9	72,133 19 3	21,249 2 5	930 10 7	5,681 1 7	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	1,011 1 8	1,039 2 9	3,537 10 11	1,480 3 9
Canterbury	1,066,182 0 0	30,764 10 7	4,287 18 9	1,835 19 9	2,126 9 2	18,882 16 7	6,758 12 0	11,650 14 1
Otago	314,108 15 2	9,916 15 10	1,208 16 8	1,012 15 4	2,779 1 2	4,960 15 6	2,569 1 0	2,893 15 6
Southland	432,720 0 0	16,459 0 6	7,050 5 9	2,213 19 9	3,121 19 2	9,979 3 2	4,361 4 0	2,915 7 11
Totals	8,645,189 16 4	775,484 0 7	154,563 2 4	53,907 15 9	110,046 1 10	179,645 3 1	127,444 11 10	91,455 4 7
			Land for Settlements Account.					
North Auckland	179,701 0 0	48,128 8 9	7,746 9 0	1,889 9 6	2,742 14 0	2,465 1 4	..	1,398 16 3
Auckland	358,321 0 0	94,408 0 0	16,184 0 0	11,923 0 0	9,117 0 0	8,143 0 0	..	4,704 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 0 0	25,194 0 0	3,948 0 0	10,801 0 0	3,322 0 0	6,696 0 0	..	915 0 0
Taranaki	77,836 19 3	17,820 0 0	2,069 10 0	892 18 1	133 2 8	1,913 5 4	..	97 13 0
Wellington	843,186 0 0	265,771 0 0	46,444 4 9	12,406 2 8	3,863 17 2	19,747 6 7	..	5,288 9 1
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	65,630 3 10	9,565 18 5	10,167 10 2	2,975 18 9	22,467 1 2	..	9,467 11 10
Otago	218,149 0 0	51,251 0 7	3,829 7 8	2,162 17 8	1,930 4 6	3,908 4 0	..	1,827 2 2
Southland	109,630 12 10	15,939 1 1	2,486 10 1	1,560 7 6	1,390 11 3	927 7 3	..	1,333 9 5
Totals	2,983,429 1 4	601,272 17 6	96,190 3 11	52,219 12 1	25,955 7 3	71,021 14 7	..	26,048 6 1
			Land for Settlements (Discharged Soldiers Settlement Account).					
North Auckland	93,405 0 0	31,450 0 0	5,115 10 9	1,576 13 9	2,878 10 0	76 5 6	..	..
Auckland	265,285 0 0	116,293 0 0	18,126 0 0	2,537 0 0	3,317 0 0	673 0 0	..	840 0 0
Gisborne	365,845 19 4	138,846 0 0	18,613 19 5	10,453 15 0	..	6,709 19 7	..	317 14 0
Hawke's Bay	303,227 0 0	107,112 0 0	18,044 0 0	4,290 0 0	..	5,006 0 0	..	4,640 0 0
Taranaki	239,782 10 0	52,022 10 10	7,009 3 10	3,820 0 1	1,070 11 1	2,232 15 1	..	445 6 2
Wellington	722,693 0 0	302,021 0 0	51,909 14 2	5,831 19 3	5,810 12 10	11,431 7 3	..	2,832 8 11
Marlborough	89,251 0 0	16,996 0 0	2,455 6 6	2,534 19 8	318 7 5	1,747 14 10	..	534 16 3
Nelson	98,815 0 0	4,550 0 0	658 15 5	60 19 6	..	1,239 18 5	..	204 6 1
Westland	..	..	..	..	..	..	..	..
Canterbury	333,000 0 0	76,401 18 2	10,310 14 7	6,891 13 7	1,707 16 9	5,682 6 6	..	3,746 3 1
Otago	241,814 0 0	48,917 0 0	4,264 19 0	962 4 11	2,792 17 3	6,149 12 7	..	1,618 4 5
Southland	38,055 0 0	7,045 0 0	1,109 11 9	379 15 9	459 0 0	162 16 5	..	48 10 8
Totals	2,791,173 9 4	901,654 9 0	137,617 15 5	39,339 1 6	18,354 15 4	41,111 16 2	..	15,227 9 7

Native Land Settlement Account.

	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
North Auckland	2,340 0 0	250 0 0	34 8 0	..	..	..	..	..
Auckland	103,550 0 0	23,377 0 0	1,561 0 0	243 0 0	4,076 0 0	428 0 0	..	385 0 0
Gisborne	124,865 0 0	15,005 0 0	1,701 18 4	..	..	1,642 3 0	..	67 10 0
Hawke's Bay	506,651 0 0	44,753 0 0	9,624 0 0	12,992 0 0	4,207 0 0	10,273 0 0	..	2,004 0 0
Taranaki	43,394 8 2	7,835 0 0	224 3 6	177 4 9	233 3 8	123 12 0	..	..
Wellington	48,039 0 0	7,784 0 0	577 16 0	73 5 0	1,167 19 11	1,217 7 4	..	..
Marlborough	..	..	..	..	..	..	..	..
Nelson	..	..	..	..	..	..	..	..
Westland	..	..	..	..	..	..	..	..
Canterbury	..	..	..	..	..	..	..	..
Otago	..	..	..	..	..	..	..	..
Southland	..	..	..	..	..	..	..	..
Totals	828,839 8 2	99,004 0 0	13,723 5 10	13,485 9 9	9,684 3 7	13,684 2 4	..	2,456 10 0

National Endowment Account.

	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ 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	3,266 4 4	408 19 4	..	..
Auckland	50,691 0 0	4,190 0 0	577 0 0	294 0 0	2,011 0 0	114 0 0	..	88 0 0
Gisborne	3,978 0 0	..	..	..	..	171 2 2	..	..
Hawke's Bay	14,714 0 0	..	..	..	48 0 0	229 0 0	..	..
Taranaki	45,469 10 0	2,010 0 0	229 16 0	107 13 2	672 6 8	160 6 3	..	..
Wellington	15,276 0 0	4,497 0 0	453 16 0	..	272 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	325 9 10	120 1 10	349 7 4	..	46 1 7
Westland	4,448 5 0	60 0 0	4 5 4	..	73 4 2	37 3 6	..	38 0 0
Canterbury	184,359 1 3	14,215 0 0	2,278 0 0	1,837 3 4	..	4,338 16 3	..	686 15 0
Otago	121,835 0 0	385 0 0	30 16 0	32 2 4	..	621 3 6	..	..
Southland	14,194 17 6	250 0 0	45 0 0	8 16 0	275 4 0	..	..	32 11 0
Totals	736,448 12 9	48,342 11 6	6,264 9 5	3,202 5 4	6,743 19 0	6,955 13 6	..	1,092 7 9

Crown Lands.

	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
North Auckland	73,221 0 0	5,025 0 0	718 12 1	454 2 7	1,532 7 8	616 7 3	..	242 13 10
Auckland	106,170 0 0	27,647 0 0	4,029 0 0	2,037 0 0	8,314 0 0	1,506 0 0	..	692 0 0
Gisborne	25,954 0 0	5,862 2 6	639 9 7	679 19 7	..	325 14 3	..	..
Hawke's Bay	13,346 0 0	..	..	..	18 0 0	214 0 0	..	..
Taranaki	75,682 11 11	14,047 6 4	1,191 0 1	1,039 3 7	948 10 2	1,295 5 2	..	66 12 0
Wellington	110,213 0 0	45,216 0 0	3,311 15 6	2,194 1 8	4,587 1 4	2,816 8 3	..	916 6 0
Marlborough	35,629 0 0	851 15 0	745 15 0	31 3 8	34 9 7	510 6 0	..	60 10 0
Nelson	270,238 10 6	965 0 0	73 4 1	104 12 0	192 16 6	302 19 0	..	35 15 3
Westland	2,075 14 7	..	..	43 18 0	86 8 0	23 2 11	..	..
Canterbury	18,035 3 1	280 0 0	37 16 0	..	..	78 12 6	..	..
Otago	179,301 0 0	4,393 15 0	469 9 8	7 5 8	..	241 1 8	..	215 9 2
Southland	31,178 4 1	2,150 0 0	313 2 0	77 18 3	1,302 0 6	107 11 0	..	73 0 0
Totals	941,044 4 2	106,437 18 10	11,529 4 0	6,669 5 0	17,015 13 9	8,037 8 0	..	2,302 6 3

REVALUATION OF SOLDIERS FARMS IN TERMS OF THE DISCHARGED SOLDIERS SETTLEMENT AMENDMENT ACT, 1923.—REPORT AS AT THE 31ST MARCH, 1927—*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.
Any other Account.								
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
North Auckland	1,107 0 0	..	..	..	..	250 5 0	..	..
Auckland	98,262 0 0	44,020 0 0	6,880 0 0	1,399 0 0	5,453 0 0	246 0 0	..	243 0 0
Gisborne	47,555 0 0	3,400 0 0	416 0 0	328 0 0	..	692 8 4	..	546 16 0
Hawke's Bay	24,540 0 0	..	..	..	..	542 0 0	..	268 0 0
Taranaki	13,803 16 8	..	..	62 18 1	..	73 18 7	..	..
Wellington	29,901 0 0	1,505 0 0	40 1 4	..	343 18 6	490 9 11	..	..
Marlborough	..	..	..	..	..	..	..	..
Nelson	..	..	..	..	..	..	..	..
Westland	300 0 0	..	..	..	..	30 0 0	..	..
Canterbury	119,654 3 5	1,310 0 0	183 0 0	..	..	2,676 12 0	..	1,371 12 4
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	52,100 0 0	7,780 3 4	1,806 15 10	5,886 18 6	5,661 17 4	..	2,686 6 2
Grand totals	17,333,494 12 2	2,584,295 17 5	427,668 4 3	170,629 15 3	193,686 19 3	326,117 15 0	127,444 11 10	141,268 10 5

ADJUSTMENTS BY DOMINION REVALUATION BOARD IN TERMS OF THE DISCHARGED SOLDIERS SETTLEMENT AMENDMENT ACT, 1924, AS AT 31ST MARCH, 1927.

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	32,328 0 4	2,600 0 0	14,210 0 0	2,173 2 2
Auckland ..	802,751 0 0	27,587 0 0	3,180 0 0	16,959 0 0	1,321 0 0
Gisborne ..	115,510 0 0	350 0 0	..	7,114 0 0	114 0 9
Hawke's Bay ..	216,371 16 6	4,437 7 6	250 0 0	9,990 0 0	1,507 11 2
Taranaki ..	297,530 12 9	21,372 18 2	650 0 0	5,030 0 0	1,941 10 2
Wellington ..	633,405 0 0	43,666 0 0	1,740 0 0	17,375 0 0	8,092 0 0
Marlborough ..	58,280 0 0	724 18 0	200 0 0	200 0 0	56 10 7
Nelson	106,184 13 3	1,616 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	2,656 11 10	2,035 0 0	38,732 8 10	1,385 11 11
Otago	127,808 8 2	3,014 1 0	90 0 0	11,080 2 1	853 19 6
Southland ..	111,080 0 0	1,916 18 11	850 0 0	6,080 0 0	689 0 7
Totals ..	3,254,137 8 10	140,169 15 9	12,407 0 0	131,380 10 11	18,134 6 10

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 Land for Settlements 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 ..	6,452,676	
Redemptions of loans by Consolidated Fund..	13,350	
Redemptions of loans by Discharged Soldiers Settlement Depreciation Fund Account	40,660	
Transfer from Consolidated Fund surpluses	13,500,000	
Interest unpaid to Consolidated Fund	540,000	
		20,546,686
Land for Settlement Account (Discharged Soldiers Settlement Account) ..		3,222,050
		£23,768,736

In addition to the above, certain other accounts contributed 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	
		3,264,000
Total capital		£27,103,136

DISCHARGED SOLDIERS SETTLEMENT ACCOUNT.

Advances authorized.—The following table indicates the loans authorized during the year for the purposes stated:—

—	Number of Returned Soldiers.	Amount authorized.
		£
Section 6, Discharged Soldiers Settlement Act, 1915—Advances on Current Account	55	92,367
Section 2, Discharged Soldiers Settlement Amendment Act, 1917—Advances towards purchase of farms, market-gardens, orchards, and discharge of mortgages	6	7,222
Section 2, Discharged Soldiers Settlement Amendment Act, 1917—Erection of dwellings, &c.	41	37,972
Totals	102	£137,561

The total loans authorized have not as yet been fully availed of, especially as regards advances authorized on Current Account to assist in the purchase of stock and effecting improvements. In these cases advances are only drawn upon as required by the settlers—*i.e.*, when additional security is forthcoming in the shape of further stock purchased or improvements effected.

The extent to which the Department is committed in connection with loans authorized, but not fully drawn on, by settlers is shown by the following table.—

	Loans authorized but not yet availed of. £
Section 6, Discharged Soldiers Settlement Act, 1915—Advances on Current Account	449,776
Section 2, Discharged Soldiers Settlement Amendment Act, 1917—Advances towards purchase of farms, market-gardens, orchards, and discharge of mortgages	1,413
Section 2, Discharged Soldiers Settlement Amendment Act, 1917—Erection of dwellings, &c.	8,215
	£459,404

Curtailment of Advances.—As in previous years, applications to assist in the purchase of farms and for the purchase and erection of dwellings have only been made in a few special cases of T.B. and other disabled men who did not have an opportunity of obtaining loans in the early stages of repatriation.

The Department is still accepting applications for advances on Current Account to assist in the purchase of stock and for development purposes, in fulfilment of its duty to those discharged soldiers who have already been placed on the land on the understanding that loans would be forthcoming for these purposes. It will doubtless be realized that the privilege of obtaining loans under this heading cannot be summarily withdrawn.

Current Account Advances.—As already indicated, loans under this heading are granted for the development of farms and stocking same. The balance outstanding at the end of the year was £2,801,152. Some progress has been made in the direction of converting development loans on Current Account to table mortgages in order to separate trading operations from development loans and provide for the gradual redemption of the advances for improvements.

It is felt that the time has now arrived when many settlers should, in a greater degree than hitherto, co-operate with the Department in the development of their properties. There is ample evidence that many expect the Department to provide the whole of the finance necessary for this purpose, but this spirit of dependence cannot be fostered. Where farms have been developed to a paying-point with capital provided by the Department, settlers are expected to shoulder the burden of further development out of farm revenues and to create equities in their own interests. Advances on Current Account, both as regards loans authorized and actually paid out, show a decrease as compared with the previous year, indicating that a number of properties have reached a point that enables the settlers to carry out additional development work without further encumbering their properties.

A matter which is causing some concern is the failure of many settlers to maintain pastures in a proper manner. The Department is continually being requested to provide finance for manures and top-dressing of pastures. While it is sometimes necessary to accede to such requests in order to preserve the securities for former advances and ensure more profitable farming, in the future the Department will not provide further capital of this nature unless it is fully satisfied that the revenues are not at present sufficient for the purpose, and the settler's business and farming methods ensure success. A condition will also be made that the Department control wholly or partially the farm revenues from which subsequent payments are made for top-dressing. The growing of green crops for stock and fattening purposes should receive every attention. Settlers should recognize that, compared with the general run of farmers, they are being assisted at a very cheap rate.

Dwellings.—Only a few additional loans are now being made under this heading to badly-wounded or T.B. men, and the loans authorized during the year to forty-one applicants, amounted to £37,972.

The amount provided for the housing of discharged soldiers from the inception of the Act is as follows:—

	Number.	Amount. £
Erection of dwellings on farms, urban and suburban	4,867	1,498,787
Erection of dwellings	4,450	3,751,156
Purchase of dwellings	7,546	4,946,822
	16,863	£10,196,765

Receipts and Payments.—The Receipts and Payments Account shows that the total receipts for the year amounted to £1,653,684, which constitutes a record. Of this amount £934,374 represents repayments of principal by mortgagors and capital derived from the sale of abandoned properties and sales of stock, while £719,310 represents receipts on account of interest and sundries. The average monthly receipts amounted to £137,807, as against £135,813, 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. £	1926–27. £
Principal	553,345	716,667	795,841	882,977	940,596	934,374
Interest, &c.	556,301	649,463	627,921	726,674	689,167	719,310

Cash advances on Current Account during the year show a decrease of approximately £86,826 over the previous year, which indicates a gradual tapering-off of advances as properties are reaching a more advanced stage of development.

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	469,785	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
1926–27	501,586	8,457	41,208	551,251

Revenue Account.—The total income of the account for the year was £844,261, which is mainly made up of accrued interest on advances and rent from properties. The net result of the operations for the year is a loss of £407,689 on the Revenue Account, while the total loss from the inception of the Act on the Revenue Account is £1,190,337, which includes losses on realization, remissions, and rebates amounting to £699,760. The accrued interest on advances is insufficient to meet the full charge for interest on capital, there being a deficit of approximately £28,000 on the year's working. The writing-down of capital by the Dominion Revaluation Board is largely responsible for the deficit in interest, as witness the fact that in the balance-sheet for the year the capital reductions by the Dominion Revaluation Board are shown at £913,553. This amount has not been debited to the Revenue Account, but it is an unproductive asset which will require to be written off Capital Account in the books. For this purpose legislation is now under consideration, and it is anticipated that when the account has been stabilized by the writing-off of the reductions in capital and interest due to the operations of the Dominion Revaluation Board, and by the writing-off of the adverse Revenue Account balance, that the interest earned will be approximately sufficient to meet the interest on the reduced capital.

Arrears and Postponements.—The total amount of interest and instalments of principal in arrears at the end of the year was £345,300, while the sum of £184,184 is outstanding on the Postponement Account, representing instalments of principal and interest which have been postponed for varying periods. The bulk of the postponements have been granted on the recommendation of the Dominion Revaluation Board.

Property Account and Realization Account.—The liability on properties which have been bought in and which are in course of realization, amount to £1,279,472, representing a decrease of £213,483 over the figures for the previous year. The Department has made a special effort to dispose of as many properties as possible, and this accounts for the reduction in the amount outstanding on account of abandoned properties.

With a view to facilitating the disposal of farms that have deteriorated through bad management and other causes special inducements have been offered to the public by way of exemption of rent or interest on condition that the properties are improved each year to the amount of the annual concession.

The following statement shows the farms disposed of by way of sale or lease:—

	Sale.	Lease.
Number of farms	187	172
Area (acres)..	40,256	38,312
Price realized for Discharged Soldiers Settlement equity	£255,526	£115,629

At the close of the year the Department had on hand 428 freehold and leasehold farms comprising 189,415 acres, valued in all at £534,032.

Lands for Settlement Account.

The capital raised for the purposes of settlement under this heading is £3,222,050, while reductions in values and other concessions by way of remissions with costs of revaluation total £1,099,490. The value of properties under lease is £1,710,827, the unlet lands are valued at £270,511. Apart from the reductions made by the Revaluation Board a further reduction of £115,363 has been made on the reselection of forfeited leaseholds. After making allowances for the capital required to survey, road, fence, and develop subdivisions as well as to erect the necessary buildings, yards, &c., it has been found that although an estate may be well bought it will not stand the whole of the additional charges arising out of subdivision, the result being a much heavier writing-down than was anticipated.

Following on reductions granted by the Revaluation Board it was anticipated that settlers would have kept pace with their annual rentals, and it is somewhat unsatisfactory to record that while accrued rents during the year amounted to £85,428, the rents actually received amounted to £71,273, while arrears including previous arrears total £39,156.

The Revenue Account shows an accumulated loss of £289,352. This is exclusive of remissions and other concessions granted by the Revaluation Board, which will be dealt with by legislation. The loss in the Revenue Account largely arises through interest being charged on the full amount of loan capital, no allowance having as yet been made for the reductions granted by the Dominion Board; and, as the money was borrowed at rates of interest exceeding rentals, there has at no time been a margin to cover rebates and administration expenses as well as remissions and other losses on properties lying unoccupied. It is obvious that unless interest is reduced to the net earning capacity of the estates after making reasonable provision for losses, the Revenue Account will continue to show a loss annually.

GENERAL REMARKS.

Notwithstanding the decline in the prices of farm-products—excluding wool—which has been experienced during the year, it is considered that in most cases the values determined upon by the Revaluation Board leave a sufficient margin that will enable settlers, with economy, to overcome the temporary set-back due to deflation in prices. Unfortunately, it is evident that areas which a few years ago were considered large enough to make a living off are now, through altered economic conditions, too small for this purpose, and in such cases the Department must grant some measure of relief until it is possible to enlarge the holdings. In some districts the prolonged drought, followed by a long winter and short spring, affected returns from sheep-farmers, and although good prices were obtained from wool, the clips were light and lambing percentage somewhat on the low side. The slump in prices was fortunately somewhat counteracted by the increased yield of produce for the season.

LANDS PROCLAIMED.

The lands set apart for selection by discharged soldiers during the year totalled 7,724 acres. From the inception of the scheme to the 31st March, 1927, a total area of 1,427,490 acres has been proclaimed for soldier settlement. This area is made up as follows:—

Class of Land.	Area (Acres).
Ordinary Crown lands ..	596,047
Cheviot Estate land ..	3,356
Land for Settlements land ..	397,089
National-endowment land ..	430,998
	1,427,490

Proclamations have been issued revoking the setting-apart of 210,172 acres of Crown lands, and 91,653 acres of land for settlements land.

APPLICATIONS FOR LAND.

Applications for land under the Discharged Soldiers Settlement Act to the number of seventy-eight 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
,, 1927 ..	78	66	17,412
Totals for twelve years ..	14,811	3,828	1,370,212

APPENDIX.

REPORTS OF COMMISSIONERS OF CROWN LANDS.

NORTH AUCKLAND.

(O. N. CAMPBELL, Commissioner of Crown Lands.)

THE condition of the soldier settlers is somewhat similar to that of the Crown tenant with the exception that, as a result of the operations of the Revaluation Board, the majority of them have been placed on a footing which under ordinary market conditions would ensure success. In view of the low payments for butterfat during the past year it has been found in the majority of those cases where the Department is receiving 33⅓ per cent. of the settler's cream cheques that the proceeds have proved insufficient to meet interest and rental charges. This will probably result in postponements having to be granted to enable them to complete their requirements for the top-dressing manures essential to maintain their usual production for the ensuing year.

A noticeable improvement exists in regard to the general tendency of soldier settlers to take the Board into their confidence in regard to their farming and financial affairs, a factor which has proved of great assistance in solving the difficulties of the individual cases.

Great difficulty has been experienced in connection with small farmlets in or about the suburban areas, as in most cases they are not self-supporting propositions and the soldier is generally compelled to obtain outside casual employment to meet his obligations. Although these properties are not payable propositions as farmlets, their value is being enhanced on account of the improved transport facilities bringing them within easy range of the city.

In the face of adverse conditions prevailing during the year it is not yet possible to gauge the effects of the revaluation.

Applications under the Discharged Soldiers Settlement Act.—During the year the applications received numbered 851, which were made up of—postponements, 229; purchase of farms, 5; transfer of farms, 61; additional advances for erection of houses, 30; transfer of houses, 135; and letting houses, 24.

Movement in connection with transfer of houses still continues, but not on such a large scale as in the previous year.

The total amount recommended on Current Account was £16,674. Up to date the number of dwellings abandoned was 115, of which 82 have been disposed of, and the majority of the balance have been let pending disposal.

Farms.—222 farms have come into the hands of the Department since the inception of the scheme, and of this number 184 have been disposed of, and the balance remaining on hand are being revalued with a view to sale.

AUCKLAND.

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

Steady development and progress continues to be made in the majority of cases coming within the administration of the Discharged Soldiers Settlement Act, and, despite adverse conditions which have in a number of cases still to be overcome by hard work and expenditure, the discharged-soldiers-settlement scheme may be said to be on the whole in a satisfactory and sound position. The investigation of Current Accounts has now been practically completed, and as far as possible adjustments and concessions have been made in a determined effort to place each settler in a position to successfully carry on, and at the same time meet his future interest payments to the Department as these become due.

Owing to the copious rainfall experienced by this district throughout the year there has been an abundance of feed for stock of all classes, and though prices for farm-produce have not altogether come up to expectations, stock have been kept in good condition, and there is no danger of shortage of pasture during the remainder of the season.

The cold and wet spring adversely affected dairy returns at the commencement of the season, but any loss has been more than made up by the vigorous growth of grass during the summer, and in point of production alone the indications are that the output of butter and cheese over the whole season will constitute a new record.

This increase in actual production will, it is hoped, largely compensate the settlers for lower advances or payments by the factories, and should reflect favourably upon the Discharged Soldiers Settlement Account when the dairying season has come to a close.

The several amounts of loans and advances outstanding at the end of this year are as follows: Farms, £898,555; dwellings, £402,874; Current Account, £668,726.

GISBORNE.

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

The soldier settlers in this district have in the majority of cases done very well during the year. In two or three instances the Board found it necessary to go to the length of forfeiture. Rents were, as a rule, promptly paid.

The settlers on Ardkeen, Ohuka, and other pastoral settlements have not done quite so well as last year as far as their surplus stock is concerned. This is accounted for by the great growth of grass early in the year, which put the hoggets and lambs back considerably. The general average price obtained for wool by soldier settlers was slightly in advance of the prices obtained last year.

The position of Repongaere, Glencoe, and other dairying settlements shows a slight improvement on last year. The soldier dairy-farmer is now paying more attention to the question of growing supplementary feed. The season has been more or less ideal from a dairying point of view. The average soldier settler is not milking as many cows as usual: this is accounted for by the deaths that occurred in the early part of the season. Advances made for butterfat show a decrease of 3d. per pound from last year. Speaking generally, however, all soldier settlements are in quite a prosperous position. Soldiers have gained much experience, and there should be very few failures from now on.

HAWKE'S BAY.

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

The efforts of the Dominion Revaluation Board, so far as this district is concerned, have been finalized by the practical completion of the Current Account adjustments whereby the soldier settler has been treated in such a manner that under normal conditions the fault lies entirely with the settler and not with the land if he is unable in the future to carry on. There will, of course, remain the few who will always be a source of trouble; they are, however, a small minority—indeed, all things considered, it is surprising to find how very few they are.

The soldier settlers engaged in dairying have come through an exceedingly trying season. Stock went into the winter down in condition, and, with a marked scarcity of feed, disaster was inevitable for the improvident settler. The season has been very backward, and to add to their troubles the butter-market suffered a severe decline in prices. The severe drought conditions, however, were not entirely unprofitable, as farmers, being forced to sacrifice, naturally disposed of the poorest of their herd, with the result that the remaining cows have better feed and are producing better results than obtained from the larger number.

While the sheep-farmer has no cause for complaint as regards price and firmness of the markets, the low condition of the ewes had a marked effect on the lambing percentages throughout the district, with the exception of coastal sections. The wool has been short in the staple and much lighter than usual, with the result that the total offerings for the season at the Napier wool-sales were nine thousand bales less than the previous season.

The orchardist also has had his troubles: an unusually heavy hailstorm in November severely affected the prospects of a successful export return. It is stated that the returns will show a drop of nearly thirty thousand cases under last season.

Autumn-sown crops made good growth and gave every indication of a heavy yield, but continuous warm rains during harvesting seriously damaged the oat crops while in the stook.

The prospects for the sheep and dairy farmers for the coming season are distinctly bright. Stock of all descriptions are in good condition to face the winter, feed is fairly plentiful, and on the majority of farms ample supplies of good winter fodder have been secured.

On two of the dairying settlements, Tiratu and Tukura, where the water-supply has been found to be deficient, special efforts are being made to install a supply sufficient for the requirements of each individual settler, and it is hoped to have the scheme in working-order for the coming season.

During the year sixteen farms were abandoned or forfeited, and of these only one remains to be disposed of. The small improved type of farm appears to be in demand in this district. With this solitary exception, not the slightest difficulty has been experienced in selling these properties, and in some cases a considerable advance on the upset has been obtained.

TARANAKI.

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

The outstanding feature in connection with soldier settlement as well as with ordinary settlement in this district during the past season has been the reduced advances by factories for butterfat, thereby entailing careful administration of accounts with a view to extending temporary assistance where warranted. The factory advances have been in the vicinity of 1s. per pound of butterfat to date, constituting a reduction of 33⅓ per cent. in comparison with last season. Unfortunately, the average soldier settler has little or no reserve capital to meet such a position, and the amount of final payment resulting from sales of season's produce in London is necessarily a subject of considerable interest.

Returns from milk proceeds arising out of various orders on milk cheques decreased on an average 20 per cent. compared with last season, and this decrease in revenue is necessarily reflected in the mortgagors' accounts. An excellent milking season has been experienced, with an early spring, and indications point to a record production output for the season. The price of dairy cows has tended to decrease over the season, extra-good cows being available at £10 to £12. A number of mortgagors are giving more attention to pig-production, although inquiries show this branch of the industry still requires a great deal of fostering among soldier settlers.

Graziers have experienced an improved year, although the effects of the 1926 drop in sheep-values is still evident. Settlers on dry stock areas have secured little or no revenue over the past two seasons, taking into account the depreciation in prices as an offset against wool proceeds and sales of forward wethers. Prices of breeding-ewes showed a decline during February, and appear to have stabilized on a somewhat lower level, compared with last season.

The assistance of the Dominion Revaluation Board has been required in numerous cases to further review Crown charges on soldier holdings. Where good settlers are doing their utmost and still finding it difficult to meet charges the position has been again reviewed, and it cannot be said that the end is yet in sight. The fluctuations in prices render it an extremely difficult matter to stabilize land-values, and during the past two seasons the whole outlook on soldier settlement has changed.

The problems confronting the Department in connection with deteriorating areas of back-country land have a direct bearing on soldier-settlement administration. In numerous cases the farm revenue offers little margin over and above living-expenses, payment of rates, and maintenance of farm and stock, and the provisions of the Deteriorated Lands Act are being utilized whenever considered necessary. Every assistance is being given the trier, and most of the soldier settlers remaining can be now included in this classification.

Abandoned properties are difficult to dispose of in the back country, and the depreciation over even one season's unoccupancy is very great. In southern Taranaki there are practically no abandoned areas, the vacant sections being found in the grazing districts inland. During the past year twenty-one soldier properties have been vacated, and fifty farms have been disposed of.

There is a growing tendency on the part of soldier mortgagors to submit transfer proposals to the Land Board showing consideration over and above Crown charges. Invariably reductions in mortgages have previously been conceded by the Crown, and consent to the transfers is not readily available in these circumstances unless very adequate reasons are forthcoming. The speculative soldier farmer is not encouraged.

There are 434 soldiers on farm properties who have received advances secured by mortgage under section 2 of the Discharged Soldiers Settlement Amendment Act, 1917, and 498 others have obtained assistance in the purchase or erection of house properties.

The total amount outstanding on mortgage, including Current Account advances, is £1,300,741.

The total revenue received during the year amounted to £173,134 9s. 8d., and the sum of £87,770 15s. 6d. was advanced.

The position of arrears compares favourably with last year, but has been brought about mainly by concessions received through the Dominion Board and local Land Board. The amounts owing are as follows: Farm properties, £13,518 18s. 11d.; dwellings, £2,248 18s. 4d.; Current Account interest, £3,448 9s. 1d.

Applications for transfer or sublettings of house properties still continue to engage the attention of the Land Board, due in a great measure to movement of mortgagors to other centres.

Owing to serious default on payments it has been necessary to exercise powers of sale in four cases, and twelve resales have been effected.

WELLINGTON.

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

In common with his colleague the Crown tenant, the soldier settler has experienced none too profitable a year. These men are for the most part on improved and highly-priced land, and although they have not had the pioneering experiences of the settlers on bush areas they have nevertheless to farm with greater intensity to pay their way and maintain their holdings to full capacity. The fall in prices of primary products, therefore, affects the soldier settler more than the man on the cheaper ordinary Crown lands.

The wool-grower has had a fair year. Feed has been plentiful and prices for wool fair, but prices obtained for stock, especially cull stock, have been low, and reinstatement difficult. Those engaged in dairying have had a good year as far as abundance of feed and flow of milk are concerned. The price of butterfat has in many cases been disappointing and has prejudiced a promising season.

The investigation of soldiers' Current Accounts by the Dominion Revaluation Board is now practically accomplished; but the effects of the concessions granted or recommended will probably not be apparent for some time.

The amount received for the year by way of payments of interest and principal was £304,930. The amounts of loans and advances outstanding at the 31st March, 1927, were as follows: Instalment mortgages on farms, £978,917; instalment mortgages on dwellings, £1,390,083; Current Account advances, £453,873.

NELSON.

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

Dairy-farmers have been hard hit by the low prices ruling for the past season, as generally there was no reserve to enable them to stand a bad season. More attention is being paid to the use of fertilizers, with very satisfactory results.

Sheep-farmers have had a fair season. The prices of wool have been good, but unfortunately there has been little demand for store sheep, and settlers have been compelled to dispose of their surplus stock at very low prices.

Orchardists have experienced a profitable year, with every indication of better market prices for their produce in future.

An increasing number of soldier settlers are devoting a small area to the cultivation of tobacco, which should prove a profitable sideline. It appears to grow well in the drier parts of the district, but will take experience to cure the leaf successfully.

Many of the soldier settlers on Crown leaseholds, whose holdings came within the areas proclaimed under the Deteriorated Lands Act, have made application for relief. As many of the properties comprise poor land, considerable concessions have been made, which in most cases should place the settlers on a sound footing and enable them to carry on successfully. This applies particularly to several settlement areas which have been revalued under the Deteriorated Lands Act. There are still, of course, a few settlers who through lack of energy or experience are not likely to succeed.

MARLBOROUGH.

(J. Stevenson, Commissioner of Crown Lands.)

Generally, the seasonal and market conditions mentioned in the general report covering the whole district affected the soldier settlers, and in many instances returns have not reached anticipations, accounted for by November floods, later frosts, and the low price of butterfat; but notwithstanding these factors the majority are improving their condition, the concessions granted by the Dominion Revaluation Board having materially assisted in this direction.

The dairy-farmer has felt the drop in value of butter, and a number are valiantly struggling to make ends meet. With this class of settler a sympathetic consideration and directed effort to improve the herds by the introduction of proved butterfat-strain bulls and judicious culling will ultimately lead to the success of the industry.

The sheep-farmer has passed through a more satisfactory season, and with a continuation of fair prices the prospect appears much brighter.

The agriculturist, with a wet season right to Christmas mixed with floods and frost, has had an anxious time, and a number of settlers have not paid expenses, whilst others more favourably situated have had a good season.

On account of staff changes and shortage, no progress has been made in the proposal to transfer Current Account mortgages for advances for improvements to instalment mortgages, but efforts will be directed towards this object during the ensuing year.

The following is the position of accounts under the Discharged Soldiers Settlement Act:—

Loans outstanding at the end of the year: Current Account advances, £51,899 13s. 11d.; instalment mortgage advances on farms, £221,042 17s. 5d.; instalment mortgage advances on dwellings, £93,351 1s. 2d.: total, £366,293.

Receipts during year, £31,090 10s. 5d.

Arrears of interest on Current Account, £1,164 12s. 9d.; arrears of instalments on farms, £5,833 5s. 4d.; arrears of instalments on dwellings, £220 1s.: total, £7,737 19s. 1d.

Postponements of principal and interest in force at the end of the year amounted to—farms, £7,214 0s. 4d.; dwellings, £218 15s. 4d.; Current Account, £317 11s. 3d.: total, £7,750 6s. 11d.

WESTLAND.

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

Generally speaking, the position of the discharged soldier settlers in this district is satisfactory, notwithstanding a bad winter and spring, and in spite of the fall in the price of butterfat. The position here is that the class of settler who almost courted failure has been eliminated; and, although in two or three cases further postponements are indicated, and are, in fact, unavoidable, there is no doubt whatever that it is only a matter of time when the settlers will be in a good way and independent of further State assistance.

CANTERBURY.

(W. Stewart, Commissioner of Crown Lands.)

Owing to the concessions granted by the Dominion Revaluation Board, the position generally with regard to soldier settlement is much improved. Most of the settlers are now in a safer position, and it is hoped that in future only occasional postponements, to tide over temporary difficulties, will be sufficient to meet all except a few cases of special hardship. There are still a few men who are not fitted for farmers, and who under any circumstances could not make a success of their holdings; these unsuitable settlers are gradually being eliminated.

There are still a few cases where the liabilities to firms or to private mortgagees are too heavy to allow settlers to regain stability, but the number of these is gradually being reduced, mostly in the case of capable farmers, by the security-holders reducing their claims.

During the past year some forty-three holdings were either abandoned or forfeited through the inability of the settlers to make good. Most of these areas have again been reallotted or, where the sections have been considered too small, divided amongst the adjoining settlers.

Taken on the whole the present settlers are a good hard-working lot, and have had a fairly successful year. Crops have been remarkably good, though prices have been lower than in previous years. Pastoralists have done well, as the market for sheep has been steady and the price of wool has had an upward tendency. Dairy-farmers have perhaps been less fortunate owing to the drop in the price of butter, although the season itself has been a favourable one.

OTAGO.

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

In my report of last year I ventured the opinion that failures on the land of discharged soldiers would become fewer as time wore on. The experience of the year has confirmed me in that opinion. Inexperienced men, many of them city dwellers all their lives, clamoured for land upon their return from the war, and went on it with a light heart, a light purse, and a complete ignorance of what was in store for them, but with a will and determination to succeed. Many failed from sheer inadaptability to changed conditions; but a surprisingly large number stuck to their tasks and won through, if not to actual success, at any rate to within sight of it. The measure of success achieved by inexperienced men was due to hard work, eagerness to learn, and readiness to take and follow the advice tendered by the Department's field officers and experienced friends. The time has now come when these men require very little supervision. They can be trusted to buy properly, sell properly, and cultivate properly. The low price ruling for dairy-produce has hit discharged soldiers harder probably than any other section of the community, and the Department will have to "nurse" some of these men a little longer than would otherwise have been necessary. There are only two abandoned farms in this district in the hands of the Department, and these will both be disposed of at an early date, applications for them being under consideration. There was not a single case during the year of a dwelling falling into the Department's hands through failure of the holder to keep up the payment of instalments on his mortgage. Of rural properties there were during the year five transfers from soldiers to civilians, eight from soldiers to other soldiers, and one from a civilian to a soldier; of dwellings there were twenty-two transfers from soldiers to civilians, and fourteen from soldiers to other soldiers.

SOUTHLAND.

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

The soldier settlers, in common with other farmers, have had a rather trying time during the past year. This refers to those settlers who depended on a fair price for butterfat to meet their liabilities; but it is safe to say that had payments been made on the same scale as in the previous season many soldier settlers would be in a solid position. The main factor which assisted the settlers during the past season was the increased production of butterfat; and if prices next season are more on the lines of those received for the previous years the soldier settler has been on the land, then they should be able to pull up any arrears incurred during the past season. It has been an endeavour to get those soldier settlers who have derived the whole of their revenue from dairying to supplement this by running a few ewes and keeping some good breeding-sows and generally to go in for mixed farming. Those who have run on these lines have reaped the benefit during the past season.

The settlements which were purchased under the Land for Settlements Act and set aside for discharged soldiers are, on the whole, proving a suitable proposition. Increased production by top-dressing pastures and the culling of the dairy herds is being given attention. Although in most settlements the settler is taking an interest in his work and endeavouring to better his position, the settlements of Strathvale and Allenby have so far showed the most progress. There are one or two holdings in these settlements on the small side, but the settlers as a whole have taken the dairying industry seriously, and are maintaining a high standard of production, an average of 250 lb. of butterfat per cow being the return from these settlements.

Heavy crops have been experienced on different holdings; but the broken weather experienced for harvesting makes it questionable as to what return soldier settlers will receive after paying harvesting and incidental expenses. As regards cases where the Department is mortgagee there are still a few whose financial position is precarious. This principally applies to those who are not honestly endeavouring to better their position but are just marking time; also to some good settlers who, unfortunately, are on too small a holding, or the property has been previously so worked out that a heavy cost per acre is necessary to renew pasture. The past season has not been helpful for any expense incurred in this direction, and assistance to improve the pastures on such properties becomes a necessity before sufficient can be taken off to meet liabilities.

Fortunately there have been very few who abandoned their farms during the past year, and it may be said that the demand is such that, given reasonable terms, there is no difficulty in disposing of any farms in this district that come back on our hands.

TABLE 1.

Total Lands acquired from the Crown by Discharged Soldiers and held at the 31st March, 1927.

Land District.	Sale (including Deferred Payment). Number of Discharged-soldier Purchasers and Licensees.	Number of Holdings.	Area.	Price.	Lease and License. Number of Discharged-soldier Tenants.	Number of Holdings.	Area.	Annual Rental.	Grand Totals. Number of Discharged Soldiers.	Number of Holdings.	Area.
Under the Discharged Soldiers Settlement Act, 1915, and Amendments.											
			Acres.	£			Acres.	£			Acres.
North Auckland ..	15	14	2,625	2,314	291	289	53,107	13,304	306	303	55,732
Auckland	44	44	1,234	13,970	540	532	91,747	24,571	584	576	92,981
Gisborne	..	..	..	..	137	146	57,053	14,169	137	146	57,053
Hawke's Bay ..	..	..	..	..	255	261	100,483	35,674	255	261	100,483
Taranaki	2	2	94	870	146	148	33,329	9,258	148	150	33,423
Wellington ..	13	13	80	4,525	739	716	167,118	78,101	752	729	167,198
Nelson	3	3	1,216	1,292	28	28	17,356	1,785	31	31	18,572
Marlborough ..	..	..	..	..	57	55	17,676	5,260	57	55	17,676
Westland	1	1	148	150	20	20	20,594	228	21	21	20,742
Canterbury ..	11	11	206	452	328	324	551,724	48,006	339	335	551,930
Otago	2	2	102	1,100	142	140	214,644	14,495	144	142	214,746
Southland.. ..	14	14	2,001	8,515	94	94	19,281	4,655	108	108	21,282
Totals ..	105	104	7,706	33,188	2,777	2,753	1,344,112	249,506	2,882	2,857	1,351,818
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 ..	2	2	371	445	78	75	18,804	2,412	80	77	19,175
Auckland	49	47	22,754	20,503	337	309	149,785	8,360	386	356	172,539
Gisborne	..	..	..	..	48	44	37,332	4,429	48	44	37,332
Hawke's Bay ..	..	..	..	..	48	41	15,742	3,911	48	41	15,742
Taranaki	2	1	180	350	174	185	68,025	4,992	176	186	68,205
Wellington ..	..	..	..	..	149	144	55,550	33,470	149	144	55,550
Nelson	3	3	1,099	586	118	108	79,440	2,174	121	111	80,539
Marlborough ..	..	..	..	..	132	123	248,974	7,183	132	123	248,974
Westland	1	1	200	168	72	67	18,215	409	73	68	18,415
Canterbury ..	4	4	42	56	244	222	95,687	14,441	248	226	95,729
Otago	..	..	..	..	241	229	993,493	23,307	241	229	993,493
Southland ..	1	1	127	40	45	46	77,471	2,096	46	47	77,598
Totals ..	62	59	24,773	22,148	1,686	1,593	1,858,518	107,184	1,748	1,652	1,883,291
Grand totals	167	163	32,479	55,336	4,463	4,346	3,202,630	356,690	4,630	4,509	3,235,109

TABLE 2.

STATEMENT OF MORTGAGE TRANSACTIONS, FINANCIAL YEAR ENDED 31ST MARCH, 1927.

District.	Principal. Balance at 31st March, 1926.	Principal. Advances during Year.	Principal. Repayments during Year.	Principal. Transfers to Realization and other Accounts.	Principal. Balance on Mortgage at 31st March, 1927, including Instalments postponed.	Interest. Balance at 31st March, 1926.	Interest. Charges during Year.	Interest. Receipts during Year.	Interest. Losses, Rebates, Commissions, and Transfers to other Accounts.	Interest. Balance at 31st March, 1927, including Postponements.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
North Auckland—										
Current Account	500,072 16 1	43,244 8 8	31,158 11 1	50,546 7 2	461,612 6 6	25,341 0 5	24,082 5 8	18,088 14 6	9,532 14 6	21,801 16 11
Farms, orchards, &c.	1,293,595 10 0	2,705 0 0	16,127 4 11	38,144 15 11	1,248,028 9 2	79,469 3 0	65,066 11 7	43,215 2 5	30,715 8 11	70,605 3 3
Dwellings, business premises, &c.	2,025,511 0 5	10,025 0 0	62,945 15 4	12,281 12 10	1,960,308 12 3	11,151 0 0	101,597 6 2	94,562 18 6	10,032 15 7	8,152 12 1
Totals	3,819,179 6 6	55,974 8 8	110,231 11 4	100,972 15 11	3,669,949 7 11	115,961 3 5	190,746 3 5	155,866 15 5	50,280 19 0	100,559 12 3
Auckland—										
Current Account	724,244 3 6	59,303 5 2	47,579 9 0	67,242 8 2	668,725 11 6	45,553 19 11	34,865 16 3	29,514 2 10	26,712 10 3	24,193 3 1
Farms, orchards, &c.	942,727 11 10	1,010 5 4	9,199 7 6	35,982 11 3	898,555 18 5	54,904 0 3	47,299 5 7	31,167 10 3	26,564 1 2	44,471 14 5
Dwellings, business premises, &c.	435,471 3 2	75 0 0	14,136 7 9	18,535 12 9	402,874 2 8	3,661 12 3	21,735 18 10	19,072 0 7	3,385 16 7	2,939 13 11
Totals	2,102,442 18 6	60,388 10 6	70,915 4 3	121,760 12 2	1,970,155 12 7	104,119 12 5	103,901 0 8	79,753 13 8	56,662 8 0	71,604 11 5
Hawke's Bay—										
Current Account	225,915 12 5	55,417 5 5	50,751 10 9	13,538 7 8	217,042 19 5	6,236 3 3	11,174 6 3	9,102 9 8	1,982 3 7	6,325 16 3
Farms, orchards, &c.	311,479 5 3	752 3 9	3,110 4 10	15,071 16 1	294,049 8 1	17,877 13 7	14,933 13 0	9,030 10 3	10,546 9 6	13,234 6 10
Dwellings, business premises, &c.	386,270 9 2	650 0 0	15,636 6 5	4,559 15 10*Dr.*	375,843 18 7	1,864 18 7	19,412 17 1	17,531 4 11	1,775 9 4	1,971 1 5
Totals	923,665 6 10	56,819 9 2	69,498 2 0	24,050 7 11	886,936 6 1	25,978 15 5	45,520 16 4	35,664 4 10	14,304 2 5	21,531 4 6
Gisborne—										
Current Account	114,028 4 5	20,117 9 6	115,559 15 7	92,621 15 5*Dr.*	111,207 13 9	2,718 8 4	5,803 6 9	5,310 3 9	690 5 3	2,521 6 1
Farms, orchards, &c.	111,949 17 0	..	1,188 2 5	3,924 13 9*Dr.*	114,686 8 4	5,274 11 2	5,645 7 3	4,169 19 6	384 18 3	6,365 0 8
Dwellings, business premises, &c.	157,888 19 2	340 5 2	5,496 7 11	2,818 1 9*Dr.*	155,550 18 2	350 0 9	8,091 10 2	7,436 8 9	643 3 3	361 18 11
Totals	383,867 0 7	20,457 14 8	122,244 5 11	99,364 11 11*Dr.*	381,445 0 3	8,343 0 3	19,540 4 2	16,917 12 0	1,718 6 9	9,248 5 8
Taranaki—										
Current Account	276,695 1 4	84,086 5 9	81,025 14 10	106,588 14 2	246,166 18 1	9,274 7 5	13,183 11 0	12,140 17 5	3,732 9 10	6,584 11 2
Farms, orchards, &c.	718,165 2 11	350 0 0	8,899 14 6	8,377 18 0*Dr.*	717,993 6 5	27,788 2 1	34,920 15 10	28,373 3 4	12,778 2 4	21,557 12 3
Dwellings, business premises, &c.	346,237 19 0	..	11,902 15 6	2,246 7 4*Dr.*	336,581 10 10	1,101 13 11	17,343 12 1	15,668 9 7	1,560 17 10	1,215 18 7
Totals	1,341,098 3 3	84,436 5 9	101,828 4 10	95,964 8 10	1,300,741 15 4	38,164 3 5	65,447 18 11	56,182 10 4	18,071 10 0	29,358 2 0
Wellington—										
Current Account	534,886 2 9	64,489 2 5	71,134 5 10	74,367 3 4	453,873 16 0	32,668 19 10	23,809 14 1	22,074 0 11	16,455 4 0	17,949 9 0
Farms, orchards, &c.	1,007,440 12 8	2,100 0 0	16,106 13 7	14,516 0 5	978,917 18 8	48,803 11 8	50,752 19 3	40,710 3 5	21,549 9 6	37,296 8 0
Dwellings, business premises, &c.	1,441,087 15 9	10,463 15 11	58,666 19 7	2,801 2 2	1,390,083 9 11	2,258 5 2	72,271 15 11	65,896 18 11	6,547 10 3	2,085 11 11
Totals	2,983,414 11 2	66,052 18 4	145,907 19 0	91,684 5 11	2,822,875 4 7	83,730 16 8	146,834 9 3	128,681 3 3	44,552 3 9	57,331 18 11

TABLE 2—*continued*.

STATEMENT OF MORTGAGE TRANSACTIONS, FINANCIAL YEAR ENDED 31ST MARCH, 1927—*continued*.

District.	Principal: Balance at 31st March, 1926.	Principal: Advances during Year.	Principal: Repayments during Year.	Principal: Transfers to Realization and other Accounts.	Principal: Balance on Mortgage at 31st March, 1927, including Instalments postponed.	Interest: Balance at 31st March, 1926.	Interest: Charges during Year.	Interest: Receipts during Year.	Interest: Losses, Rebates, Commissions, and Transfers to other Accounts.	Interest: Balance at 31st March, 1927, including Postponements.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Marlborough—										
Current Account	53,742 5 10	7,461 7 5	7,916 12 0	1,387 7 4	51,899 13 11	1,626 10 8	2,666 17 3	1,881 9 7	67 17 6	2,344 0 10
Farms, orchards, &c.	224,468 16 10	..	2,568 15 7	857 3 10	221,042 17 5	9,099 8 4	10,934 5 2	8,386 2 0	1,389 5 4	10,258 6 2
Dwellings, business premises, &c.	96,473 2 0	650 0 0	3,775 19 10	3 19 0*Dr.*	93,351 1 2	35 4 11	4,794 11 11	4,389 2 9	400 19 6	39 14 7
Totals	374,684 4 8	8,111 7 5	14,261 7 5	2,240 12 2	366,293 12 6	10,761 3 11	18,395 14 4	14,656 14 4	1,858 2 4	12,642 1 7
Nelson—										
Current Account	108,290 1 8	15,760 2 9	10,583 14 3	9,976 7 3	103,490 2 11	3,652 0 7	5,296 12 2	4,447 13 8	953 4 5	3,547 14 8
Farms, orchards, &c.	381,540 15 8	..	4,423 19 0	27,594 17 5	349,521 19 3	18,656 6 8	17,386 12 5	11,690 12 4	9,791 2 2	14,561 4 7
Dwellings, business premises, &c.	66,808 5 9	50 0 0	2,609 6 6	498 5 6	63,750 13 9	99 9 10	3,213 10 0	3,015 5 8	228 17 5	68 16 9
Totals	556,639 3 1	15,810 2 9	17,616 19 9	38,069 10 2	516,762 15 11	22,407 17 1	25,896 14 7	19,153 11 8	10,973 4 0	46,177 16 0
Westland—										
Current Account	33,576 9 8	2,137 19 1	1,995 1 2	1,084 4 8	32,635 2 11	1,382 18 1	1,669 14 0	1,200 2 2	273 8 5	1,579 1 6
Farms, orchards, &c.	69,794 13 0	..	821 19 4	1,651 17 4*Dr.*	70,624 11 0	2,307 2 3	3,711 0 9	2,208 0 0	598 10 10	3,211 12 2
Dwellings, business premises, &c.	20,175 9 2	..	1,251 1 0	615 17 2*Dr.*	19,540 5 4	85 12 4	1,040 16 6	928 9 3	112 0 11	85 18 8
Totals	123,546 11 10	2,137 19 1	4,068 1 6	1,183 9 10*Dr.*	22,799 19 3	3,775 12 8	6,421 11 3	4,336 11 5	984 0 2	4,876 12 4
Canterbury—										
Current Account	242,290 14 8	105,102 2 6	102,486 16 0	16,160 19 3	228,745 1 11	9,914 13 8	12,089 18 5	12,142 8 5	2,735 1 1	7,127 2 7
Farms, orchards, &c.	987,632 19 10	1,363 3 2	22,897 1 3	32,001 14 4	934,097 7 5	38,705 9 10	48,585 16 9	43,493 15 6	13,484 16 6	30,312 14 7
Dwellings, business premises, &c.	1,113,310 18 5	14,879 7 7	60,655 11 1	3,460 3 3*Dr.*	1,079,994 18 2	1,572 8 7	55,276 5 7	51,125 4 2	4,001 10 7	1,721 19 5
Totals	2,343,234 12 11	121,344 13 3	186,039 8 4	44,702 10 4	2,233,837 7 6	50,192 12 1	115,952 0 9	106,761 8 1	20,221 8 2	39,161 16 7
Otago—										
Current Account	116,595 17 11	24,096 11 7	26,639 12 2	6,026 6 4	108,026 11 0	4,767 6 7	5,716 14 10	5,217 7 5	1,718 0 9	3,548 13 3
Farms, orchards, &c.	316,969 10 2	130 0 0	10,815 11 8	402 4 0	305,881 14 6	7,592 12 4	15,800 19 6	13,086 8 4	2,194 10 2	8,112 13 4
Dwellings, business premises, &c.	396,342 11 1	2,625 0 0	22,131 7 7	788 8 11*Dr.*	377,624 12 5	290 8 7	19,034 2 10	17,929 14 1	844 10 0	550 7 4
Totals	829,907 19 2	26,851 11 7	59,586 11 5	5,640 1 5	791,532 17 11	12,650 7 6	40,551 17 2	36,233 9 10	4,757 0 11	12,211 13 11
Southland—										
Current Account	111,293 1 0	26,528 4 10	18,355 18 10	1,739 10 9	117,725 16 3	4,072 1 0	5,722 7 5	5,585 2 2	1,023 5 0	3,186 1 3
Farms, orchards, &c.	341,384 16 11	46 5 0	7,505 14 2	8,591 7 9*Dr.*	342,516 15 6	16,235 12 4	17,142 5 7	15,189 4 1	4,693 4 10	13,495 9 0
Dwellings, business premises, &c.	159,447 19 3	1,450 0 0	10,401 18 5	142 4 7	150,353 16 3	175 4 5	7,910 4 4	7,294 0 1	682 19 2	108 9 6
Totals	612,125 17 2	28,022 9 10	36,263 11 5	6,709 12 5*Dr.*	610,596 8 0	20,482 17 9	30,774 17 4	28,068 6 4	6,399 9 0	16,789 19 9
					SUMMARY.					
Name of Account.										
Current Account	3,041,630 11 3	507,744 5 1	465,187 1 6	283,036 0 8	2,801,151 14 2	147,208 9 9	146,081 4 1	126,704 12 6	65,876 4 9	100,708 16 7
Farms, orchards, &c.	6,707,149 12 1	8,456 17 3	97,664 8 9	142,025 6 5	6,475,916 14 2	326,713 13 6	332,179 12 8	250,720 11 5	134,689 19 6	273,482 15 3
Dwellings, business premises, &c.	6,645,025 12 4	41,208 8 8	269,609 16 11	19,766 4 7	6,396,857 19 6	22,645 19 4	331,722 11 5	304,849 17 3	30,216 10 5	19,302 3 1
Grand totals	16,393,805 15 8	557,409 11 0	832,461 7 2	445,827 11 8	15,673,926 7 10	496,568 2 7	809,983 8 2	692,275 1 2	230,782 14 8	393,493 14 11

DISCHARGED SOLDIERS SETTLEMENT ACCOUNT.

Receipts and Payments Account for the Year ended 31st March, 1927.

Receipts.

	£ s. d.	£ s. d.
To Balance, 1st April, 1926—		
Cash in Public Account	15,169 19 4	
Imprests outstanding	11,284 12 4	
Cash on investment	99,819 0 9	
		126,273 12 5
Repayment of advances—		
Current Account	465,187 1 6	
Section 2, Farms Account	97,664 8 9	
Section 2, Dwellings Account	269,609 16 11	
Buildings	201 16 9	
Miscellaneous advances	1,798 13 1	
		834,461 17 0
Property Account—		
Freehold	28,718 17 1	
Leasehold	8,004 3 4	
		36,723 0 5
Realization Account		33,000 16 5
Sale of farm-produce		3,172 17 9
Sundry estates		7,271 1 7
Sale of live and dead stock		5,948 5 4
Sale of plant		234 15 2
Suspense Account		2,969 7 2
Fire Loss Suspense Account		24,005 3 4
Bills receivable		40 17 9
Sundry debtors (accounts not cleared in Treasury in previous years)		638 1 2
Interest on advances—		
Current Account	126,704 12 6	
Section 2, Farms Account	250,720 11 5	
Section 2, Dwellings Account	304,849 17 3	
Miscellaneous	363 3 3	
		682,638 4 5
Interest on investments		6,074 17 10
Rent and grazing fees		15,416 17 11
Valuation fees		127 19 0
Production and transfer fees		657 4 0
Sundries		302 17 4
		£1,779,957 16 0

Payments.

	£ s. d.	£ s. d.
By Advances on mortgages, &c.—		
Current Account	501,586 6 2	
Section 2, Farms Account	8,456 17 3	
Section 2, Dwellings Account	41,208 8 8	
Miscellaneous advances	2,143 3 4	
		553,394 15 5
Plant Account—Purchase of motor-cars, &c.		202 10 2
Purchase of live and dead stock		433 5 7
Working-expenses of properties acquired by power of sale		6,890 16 7
Sundry estates		6,282 2 4
Capital expenditure on farms acquired by power of sale—		
Property freehold	8,807 7 1	
Property leasehold	1,936 16 4	
		10,744 3 5
Realization Account—Expenses incidental to acquisitions of properties		15,764 11 11
Repayment of State Advances mortgages		457 3 7
Sundry creditors—Accounts not cleared in Treasury books in previous years		11,606 16 8
Interest on debentures		162,721 0 0
Interest on advances from Consolidated Fund		200,000 0 0
Stamp duty (transfers of consolidated stock)		64 1 4
Management charges on stock		39 9 9
Charges and expenses of raising loans		1,006 5 0
Loans repaid		50,500 0 0
Vote "Expenses of management"—		
Supervision and management of securities	39,785 0 0	
Expenses of Revaluation Board	1,368 6 3	
		41,153 6 3
Fire Loss Suspense Account		15,064 11 11
Suspense Account		1,967 7 9
Valuation expenses		208 7 6
Printing and stationery		284 15 1
Travelling-expenses		511 14 7
Maintenance of plant		56 5 6
Working-expenses of tractor		587 19 3
Audit fees		500 0 0
Sundries		246 5 8
Balance, 31st March, 1927—		
Cash in Public Account	224,482 2 10	
Imprest outstanding	7,404 4 8	
Investment Account	467,383 13 3	
		699,270 0 9
		£1,779,957 16 0

Revenue Account for the Year ended 31st March, 1927.

Dr.

	£ s. d.
To Interest on debentures	332,071 0 10
Interest on advances from Consolidated Fund	540,000 0 0
Charges and expenses of raising loans	11,006 5 0
Stamp duty on transfers of consolidated stock, &c.	64 1 4
Management charges of consolidated stock	39 9 9
Audit fees	500 0 0
Management expenses	39,791 14 0
Printing and stationery	388 10 3
Incidental expenses in connection with properties acquired by the Crown	5,001 9 10
Maintenance of plant	56 5 6
Rebates of interest and rent	43,717 10 1
Remissions of interest and rent	4,347 8 9
Valuation expenses	207 8 6
Travelling-expenses of Inspectors of Securities, &c.	507 18 9
Commission on sales of properties, &c.	407 0 5
Interest written off—Postponements under section 16, Discharged Soldiers Settlement Amendment Act, 1921	699 2 1
Loss on realization of securities—Writings-off in Suspense	271,144 6 7
Depreciation Reserve—Plant, &c.	1,345 6 11
Reductions of mortgages under section 6 (1), Deteriorated Lands Act, 1925	475 0 0
Remissions of interest and rent under section 6 (1), Deteriorated Lands Act, 1925	180 8 8
	£1,251,950 7 3
To Net loss for year brought down	407,689 3 1
Loss forward from previous year	781,208 3 0
Adjustment on account previous years	1,439 19 10
	£1,190,337 5 11

Cr.

	£ s. d.	£ s. d.
By Interest on advances—		
Current	146,081 4 1	
Section 2, farms	332,179 12 8	
Section 2, dwellings	331,722 11 5	
Miscellaneous	1,215 2 8	
		811,198 10 10
Interest on surplus funds temporarily invested		7,875 8 0
Interest on purchase-price of stock, Mataikona Settlement		642 18 2
Rent from properties bought in by Crown		20,700 11 9
Profit from sales of properties and stock		2,249 3 5
Profit from sale of plant		44 7 7
Transfer and production fees		658 6 6
Valuation fees		105 9 6
Miscellaneous		786 8 5
Net loss for year		407,689 3 1
		£1,251,950 7 3
By Balance—Net loss, 31st March, 1927		1,190,337 5 11
		£1,190,337 5 11

DISCHARGED SOLDIERS SETTLEMENT ACCOUNT—*continued*.

BALANCE-SHEET AS AT 31ST MARCH, 1927.

Liabilities.

	£	s.	d.	£	s.	d.
Capital Account—						
Securities issued ..	6,452,675	16	8			
Transferred from Consolidated Fund ..	13,500,000	0	0			
Securities redeemed from Consolidated Fund ..	13,350	0	0			
Securities redeemed from Depreciation Fund Account	40,660	0	0			
				20,006,685	16	8
Consolidated Fund, for interest unpaid on amount transferred from Consolidated Fund				880,000	0	0
Consolidated Fund, for interest paid on debentures, &c.				160,010	12	6
Consolidated Fund, for interest paid on redemptions from Consolidated Fund ..				496	2	1
Interest on loans accrued to 31st March, 1927, but not payable on that date				103,630	11	7
Sundry creditors, for interest unpaid on debentures				1,932	10	0
Sundry creditors—Payments in advance ..				3,267	4	7
Land for Settlements Account—Accrued interest on purchase-money, Mataikona Estate				24,060	9	9
Sundry creditors for—						
Miscellaneous services ..	7,683	10	8			
Advances from State Advances Office on properties acquired by Crown	9,097	2	10			
				16,780	13	6
Suspense Account (receipts not allocated) ..				1,397	15	8
Realization Suspense				543	10	2
Writings-off in Suspense				216,121	19	3
Fire Loss Suspense Account				8,312	17	7
Rents charged in advance				3,046	6	0
Interest charged in advance				67	0	0
Depreciation Reserve Account				3,222	17	7
Reserve Account				56,101	17	1
Carried forward..				£21,485,678	4	0

Assets.

	£	s.	d.	£	s.	d.
Advances on mortgage—						
Current Account ..	2,801,151	14	2			
Section 2, Farms Account	6,369,931	6	7			
Section 2, Dwellings Account	6,370,125	12	9			
				15,541,208	13	6
Land leased under sections 4 and 5, Discharged Soldiers Settlement Amendment Act, 1921..				250,556	0	0
Unpaid purchase price, not yet payable, of buildings on Crown properties				12,582	7	5
Sundry advances merged with value of Crown lands, &c., section 20 (3), Discharged Soldiers Settlement Amendment Act, 1923				35,737	9	1
Property Account—Properties acquired by Crown—						
Freehold	549,421	6	9			
Leasehold	264,803	7	8			
				814,224	14	5
Realization Account—						
Properties in course of realization	444,244	8	4			
Live stock on hand ..	18,580	5	6			
Dead stock on hand ..	2,423	3	2			
				465,247	17	0
Sundry estates—Live and dead stock ..				25,673	12	11
Machinery and plant				5,584	17	11
Office requisites				15	7	7
Dominion Revaluation Board—Current Advances Suspense, section 3 (3) (*b*), Discharged Soldiers Settlement Amendment Act, 1924				12,250	15	4
Postponements—						
Principal instalments ..	45,725	13	6			
Interest	137,588	18	8			
Rent..	869	8	11			
				184,184	1	1
Interest on advances accrued but not due ..				123,639	18	6
Interest accrued but not due on surplus funds temporarily invested				3,757	5	8
Sundry debtors for principal instalments—						
Section 2, Farms Account	60,259	14	1			
Section 2, Dwellings Account	26,732	6	9			
Buildings on properties..	269	2	0			
Merged interests under section 20 (3), Discharged Soldiers Settlement Amendment Act, 1923	360	11	3			
				87,621	14	1
Sundry debtors for interest—						
Current Account ..	100,708	16	7			
Section 2, Farms Account	135,893	16	7			
Section 2, Dwellings Account	19,302	3	1			
Buildings on properties..	242	0	10			
Merged interests under section 20 (3), Discharged Soldiers Settlement Amendment Act, 1923	1,507	14	1			
Miscellaneous advances..	23	13	9			
				257,678	4	11
Sundry debtors for—						
Rent of properties ..	10,118	4	4			
Sales of stock, implements, &c.	374	1	7			
Working - expenses of tractor	973	9	2			
Miscellaneous advances (insurance, rates, &c.)	919	9	5			
Amounts owing by other accounts under section 20 (4), Discharged Soldiers Settlement Amendment Act, 1923	28,719	8	4			
Miscellaneous (amounts being recovered from other Departments, &c.)	2,259	7	5			
				43,364	0	3
Carried forward				£17,863,326	19	8

DISCHARGED SOLDIERS SETTLEMENT ACCOUNT—*continued.*

BALANCE-SHEET AS AT 31ST MARCH, 1927—*continued.*

Liabilities—continued.

	£	s.	d.
Brought forward	21,485,678	4	0
	£21,485,678	4	0

Assets—continued.

	£	s.	d.	£	s.	d.
Brought forward				17,863,326	19	8
Charges and expenses raising loans ..				145,000	0	0
Losses in Suspense Account				216,121	19	3
Revaluation Board determinations—						
Reductions in mortgage value	913,553	2	0			
Interest written off ..	220,101	4	7			
Remission of interest ..	161,292	8	0			
Rents written off ..	199	3	4			
Revaluation Committee expenses	29,633	8	5			
Revaluation Board expenses	10,640	15	0			
				1,335,420	1	4
Revenue Account—Net loss, 31st March, 1927				1,190,337	5	11
Investments in Public Debt Redemption Account at 31st March, 1927				36,201	17	1
Cash in Public Account, 31st March, 1927	224,482	2	10			
Imprests outstanding ..	7,404	4	8			
Investment Account ..	467,383	13	3			
				699,270	0	9
				£21,485,678	4	0

J. B. THOMPSON, Under-Secretary for Lands.
J. H. O'DONNELL, Controller of Accounts.

I HEREBY certify that the Statement of Receipts and Payments, Revenue Account, and Balance-sheet have been duly examined and compared with the relative books and documents submitted for audit, and correctly state the position as disclosed thereby. The following comments are appended: (1) The accounts have been compiled from unaudited journal entries of the various Land Boards pending the completion of the local examinations by the Audit Inspectors. (2) The only assets verified are cash in Public Account, Imprests outstanding, and liabilities for loans and accrued interest thereon. (3) The accounts do not include a charge for any portion of Government subsidy to Superannuation Funds. (4) The interest charged in the account on the loans from Consolidated Fund (£13,500,000) is subject to adjustment when the necessary legislation is obtained to authorize the amount of certain losses to be written off.—G. F. C. CAMPBELL, Controller and Auditor-General.

LAND FOR SETTLEMENTS ACCOUNT (DISCHARGED SOLDIERS SETTLEMENT ACCOUNT).

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1927.

Receipts.

	£	s.	d.	£	s.	d.
To Balance at 1st April, 1926—						
Cash in Public Account ..	20,414	14	8			
Imprests outstanding ..	858	7	10			
Investment Account ..	50,000	0	0			
				71,273	2	6
Receipts—						
Rents, &c.				71,835	12	6
Sales				3,566	18	3
Interest on sales				431	1	11
Miscellaneous				238	0	1
Section 49 (2), (3), Land for Settlements Act, 1925—Amount received in respect of settlement land converted into national-endowment land				54	0	0
Mount Pisa Estate				225	17	4
Interest on securities and investments ..				1,885	6	3
				£149,509	18	10

Payments.

	£	s.	d.	£	s.	d.
By Acquirement of estates				603	11	11
Administration expenses				1,710	13	3
Expenditure under section 20 (4), Discharged Soldiers Settlement Amendment Act, 1923, in respect of amount added to capital value				54	0	0
Land for settlement of discharged soldiers—Vote "Expenses"				2,658	1	1
Mount Pisa Estate				168	4	3
Road access, &c., to settlements				5,468	9	1
Refunds of revenue				573	7	9
Public Revenues Act, 1926, section 40—Temporary transfers to other accounts ..				20,000	0	0
Balance at 31st March, 1927—						
Cash in Public Account ..	23,273	11	6			
Investment Account ..	95,000	0	0			
				118,273	11	6
				£149,509	18	10

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1927.

Dr.

	£	s.	d.	£	s.	d.
To Administration expenses				1,759	4	8
Improvements to settlements (Vote Expenses)				2,621	3	1
Interest on loans				132,043	5	9
Irrecoverable rents				5,597	1	1
Loss on working of estates				183	16	6
Losses under Deteriorated Lands Act, 1925—						
Reduction in value of land	1,988	11	2			
Rents written off ..	226	15	6			
				2,215	6	8
Miscellaneous expenses				65	4	0
Rebates				4,648	19	8
Remissions of rents, &c.				3,536	6	2
				£152,670	7	7
To Balance brought down				64,261	1	7
Balance from previous years				225,090	15	6
				£289,351	17	1

Cr.

	£	s.	d.
By Accrued rents, &c.	85,428	9	2
Interest on sales	86	12	6
Interest on investments	2,894	4	4
Balance carried down	64,261	1	7
	£152,670	7	7
By Balance carried forward	289,351	17	1
	£289,351	17	1

LAND FOR SETTLEMENTS ACCOUNT (DISCHARGED SOLDIERS SETTLEMENT ACCOUNT)—*continued.*

BALANCE-SHEET AS AT 31ST MARCH, 1927.

Liabilities.

	£	s.	d.	£	s.	d.
Capital Account—						
Debenture issue ..	3,222,050	0	0			
Crown lands in estates ..	5,441	0	0			
				3,227,491	0	0
Sundry creditors—						
Interest due on loans—						
Consolidated Fund ..	466,229	7	6			
Due and unpaid ..	357	9	4			
				466,586	16	10
Interest accrued but not due on loans ..				11,067	19	7
Miscellaneous				5,692	11	10
Payments in advance—						
Rents				886	0	9
Principal instalments on buildings ..				108	12	8
Principal instalments on sales of land ..				387	3	0
Amounts charged in advance—						
Rents				20,372	13	2
Interest				70	0	0
Reserve				27,175	1	8
Reserve for unexpended loading for roads, &c...				90,522	0	0
Writings-off in Suspense Account				8,851	8	5
				£3,859,211	7	11

Assets.

	£	s.	d.	£	s.	d.
Estates—						
Leased	1,710,827	1	9			
Unleased	270,511	0	6			
				1,981,338	2	3
Unpaid purchase-price (not yet payable)—						
Land				9,229	6	2
Buildings				75,637	19	8
Mount Pisa Estate—Chattels, machinery, &c..				287	2	0
Sundry debtors—						
Rents, &c.	39,155	15	4			
Less reserve for irrecoverable rents	1,500	0	0			
				37,655	15	4
Principal instalments on buildings				1,953	14	5
Principal instalments on sales of lands ..				169	18	0
Interest on sales of land				139	4	6
Interest on purchase-price, Mataikona Estate ..				24,060	9	9
Interest on investments				659	11	10
Miscellaneous				236	18	2
Bills receivable—Glencoe Settlement Drains Account				470	0	0
Postponements outstanding—						
Rent				46,593	10	1
Principal instalments on buildings.. ..				1,060	12	9
Interest on sales..				129	2	10
Buildings Suspense				550	0	0
Sundry debtors outstanding (amounts accrued but not due)—						
Interest on sales of land				118	1	8
Interest on investments				417	2	5
Losses in Suspense Account				8,851	8	5
Depreciation in land-values, &c.				115,362	14	11
Revaluation Board determinations, &c.—						
Reduction in value of land	889,687	4	1			
Reductions in value of buildings	11,901	17	10			
Rents written off ..	134,535	9	1			
Remissions	57,393	10	8			
Revaluation Committee expenses	5,972	0	10			
				1,099,490	2	6
Revenue Account				289,351	17	1
Investment Account—						
Temporary transfer in terms of Public Revenues Act, 1926, section 40				20,000	0	0
Cash in Public Debt Redemption Fund ..				27,175	1	8
Cash in Public Account ..	23,273	11	6			
Investments Account ..	95,000	0	0			
				118,273	11	6
				£3,859,211	7	11

J. B. THOMPSON, Under-Secretary for Lands.
J. H. O'DONNELL, Controller of Accounts.

I HEREBY certify that the Revenue Account and Balance-sheet have been duly examined and compared with the relative books and accounts submitted for audit, and found to agree. The following comments are appended: (1) The accounts have been compiled from unaudited journal entries of the various Land Boards pending the completion of the local examination by the Audit Inspectors. (2) The accounts do not include a charge for any portion of the Government subsidy to the Superannuation Fund.—G. F. C. CAMPBELL, Controller and Auditor-General.

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