

Current Account Advances.—During the year a large number of current accounts have been reviewed, and where there is sufficient security in the properties, and the settler's financial position appears sound, portion, if not the whole, of the advances has been converted to instalment mortgages for fifteen years and a half, bearing interest at $5\frac{1}{2}$ per cent., subject to rebate for prompt payment, the terms of repayment varying according to the circumstances. In a number of cases where private mortgages exist, and advances are all on stock and chattels, and in other cases where the valuation of the security does not warrant it, and the term of the original mortgage has expired, the advances are being left on current account at 6 per cent., repayable on demand.

There is still a considerable number of accounts to be dealt with. In some cases the original term has not expired, these being dealt with as they expire, and in most of the other cases the properties are not developed sufficiently to stand the additional charge, and this, with the drop in prices of produce, makes them difficult to deal with. These latter cases are being reviewed from time to time, and are adjusted as the opportunity allows.

The total number of cases up to the 31st March, 1930, in which the whole or part of advances have been converted to instalment mortgage is 335, and the amount transferred £193,875.

The adjustment of these mortgages has created a much more satisfactory position, both from the soldiers' and the State's point of view. A considerable number of the Department's bills of sale has been released, and the soldiers affected appreciate the consequent freedom to deal with stock, &c.

The several amounts of loans and advances outstanding at the end of the financial year are: Farms, £991,737; current account, £408,227; dwellings, £365,182.

GISBORNE.

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

Generally speaking, the soldier settlers in this district continue to do fairly well, thanks to the successful efforts of the Dominion Revaluation Board. A few cases still require close supervision, but it may be taken for granted that most of these men are now on a fairly good footing.

Several adjustments of area have been effected on Ardkeen and Glencoe Settlements by subdividing and allotting two or three forfeited sections to existing settlers in need of additional areas. In a number of cases the Dominion Board has been asked to revise previous determinations where such appeared to be advisable, while a steady policy of conversion of current account mortgages to instalment mortgages has also been pursued.

HAWKE'S BAY.

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

Generally speaking, the soldier settlers are now well established, and quite contented with their position, but there are still a few who have not turned out satisfactorily. Most cases of misfits have been weeded out, and those who are at present unsuccessful are of a type which, while perfectly capable of hard work, lacks the necessary application. These cases, under supervision, are improving, and I have hopes of their ultimate success. In the past few years a good many settlers have abandoned their farms or have had to transfer to avoid forfeiture, while some the Department has had to sell up. In going over these cases at the present date, it is curious to observe that in practically every instance the incoming man, in some cases a soldier, in others a civilian, has made good, and these properties have not since caused the Office any concern. This shows that in most cases it was not the farm which was at fault but the man, and justified the Department in its action. The Dominion Revaluation Board in the past twelve months has reconsidered a few cases, and made reductions in values which should materially assist the settlers concerned to make a success of their holdings. Last year prices were good, but this year the unfortunate drop in the price of wool has made things difficult for the sheep-farmer. Good average prices, however, were obtainable for fat lambs, and where a farmer is able to fatten lambs he should have little difficulty in carrying on. The settler who is running wethers alone will have a very lean year. The dairy-farmer is in a better position as although the price of butterfat has fallen, this is more than offset by the increased yields per cow. Herd testing and culling, top-dressing, and supplementary green feeding have been instrumental in the increase of the yields, and I am pleased to record that the average per cow on soldier sections is now 215 lb. of butterfat. The highest yield was 392 lb. One of our soldier farmers, Mr. J. B. Baker, of the Tiratu Block, won the Challenge Cup presented by the Hon. E. A. Ransom, M.P., for the herd showing the most improvement in the Dannevirke District. His herd of thirty-six cows showed an increase from 239 lb. to 310 lb. of butterfat.

In May, 1929, serious floods occurred in the district between Hastings and Fernhill owing to the Ngaruroro and Tutaekuri Rivers, swollen with heavy rain, breaking their banks. Several thousands of acres were inundated, and some of our settlers had their lands completely, or partially, flooded, and as a consequence pastures were damaged and fences destroyed. The flood waters took a long time in completely getting away, and a good deal of the land was practically useless for some months. Several thousand sheep and many cattle were drowned. The work of re-establishing the areas is still under way, and this has caused a great deal of expense and hard toil.

It is pleasing to note that the average settler is steadily improving in his farming methods, more attention is being paid to systematic top-dressing, with a natural benefit to the pastures. Farmers are going in more for ensilage as against hay, and the growing of root crops as a supplementary ration is steadily on the increase.

During the year a systematic examination of all current account advances has been made with a view to placing the amounts owing on instalment mortgages. The number of cases where it has