

the present provisions of the Act before steps were taken under the proposed amendment. It may be mentioned that a recent conference of Commissioners of Crown Lands was unanimously in favour of action being taken as indicated above.

RESPONSIBILITIES OF ADMINISTRATION.

The administration of the Act has largely added to the duties and responsibilities of the Commissioners of Crown Lands in the eleven land districts into which the Dominion is divided. Prior to 1915 the functions of the Commissioners of Crown Lands and the Land Boards were confined to preparing Crown lands in their districts for selection, receiving revenue therefrom after selection, and carrying out the provisions of the Land Act and other enactments relating to lands under their administration. The passing of the Discharged Soldiers Settlement Act of 1915, and the consequent advancement of £18,000,000 within five years to some 18,000 ex-soldiers for the purchase of land, houses, stock, implements, &c., has given them new and onerous functions. It is now their duty to see that the securities upon which the money is loaned are sufficient and maintained in good condition, that the settlers utilize their properties in a satisfactory manner, that the stock upon which money has been advanced is purchased and sold to the best advantage, that the mortgages, bills of sale, and insurances which cover the Crown's titles to the loans made have been promptly prepared and registered, and generally that the granting of advances under the Act has been and is conducted on business lines and in a capable manner. The responsibilities now devolving on Commissioners are in many respects similar to those carried by managers of mercantile firms, and very full and accurate knowledge of the current prices of land, stock, produce, &c., is needed to enable officers to carry out their duties satisfactorily. In fact, they should possess the requisite financial and business experience to enable them to sum up the working position of a farm and see that it is conducted on good lines. There is, however, one distinct difference between loans by commercial and financial institutions and those granted under the Discharged Soldiers Settlement Act, and it is this: When money is lent in the ordinary course of business the lender is careful to see that there is a sufficient margin between the value of the security and the amount he is advancing, so that in the event of anything untoward occurring he has a certain amount of protection. Under the Act no such margin is required, and when advancing money on mortgage all that is necessary is that the amount of the loan shall not exceed the amount of the departmental valuation. In other words, when a discharged soldier was penniless money has been advanced up to 100 per cent. of the value of the security in order to give him a start in life. Such financing requires extreme care to avoid a loss, and in many cases it depends on the man himself as to whether or not the transaction turns out satisfactorily. If the ex-soldier is a hardworking man of good principles the result is generally good, but if there is any slackness in the borrower it is inevitable that there should be a loss. The personal equation is the great thing.

To aid the Commissioners in their arduous work there is a Supervisor of Soldier Settlements in each district, who visits and reports on soldier settlers and assists them with advice regarding farming their land and purchase of stock, &c., whilst the Crown Lands Rangers render what assistance they can. In the four centres a Collector of Rents and Inspector of Securities has been appointed, whose duty it is to keep an eye on all houses on which money has been advanced under the Act and see that the securities are in a good condition. In addition the Inspector of Offices periodically visits each land office, inspects the various titles which have been given for moneys advanced, and satisfies himself that the mortgages, bills of sale, &c., are in proper form and that the Crown's interests are protected.

REINVESTMENT OF FUNDS.

A matter for determination by the Government and Parliament of New Zealand is the investment or other disposal of principal moneys that have been or will be repaid by the discharged soldiers to whom they have been advanced. The funds that have hitherto been provided by the Government are of two kinds—namely, appropriations from the Consolidated Fund and loan-moneys. The latter have to be repaid by means of sinking funds and otherwise in accordance with the provisions of the Acts under which they were raised, but the money provided out of accumulated surpluses of the consolidated revenue can be disposed of as is directed by the Government and Parliament. Roughly speaking, it may be said that £6,000,000 has been raised from loans and will require to be repaid in order to reduce and defray the liability now resting on the taxpayers, whilst some £13,000,000 is available for reinvestment.

One method of reinvestment is to follow on the lines authorized to the Public Trust Office, the Government Life Insurance Department, or other State Department with accumulated funds. Another way is to follow on the lines of the State Advances Office, but with modifications suited to the developmental needs of the country. The money has been advanced not only on first mortgage (as by the State Advances Office), but also in some cases on second mortgage, and in a large number of cases on bills of sale. Moreover, the State Advances Office has a statutory limit fixed in the way of margin, the loan not being permitted to exceed three-fifths of the value of the land and one-half the value of buildings on the land. Under the Discharged Soldiers Settlement Act no margin is prescribed, and to enable discharged soldiers with funds to settle themselves on the land advances have been frequently made up to the full value of the land purchased, and additional funds provided for the purchase of stock, implements, &c. Now that the needs of the greater part of the large body of returned soldiers have been met it may be advisable to establish a new system of advances to meet the requirements of the coming generation of farmers, and for this purpose it may be deemed advisable to pass legislation to enable moneys that have been repaid under the Discharged Soldiers Settlement Act to be readvanced to eligible applicants taking up Crown lands for development purposes, and under conditions that satisfactorily safeguard the funds.