

erties that were offered for sale on default and purchased by the Crown, now stands at £751,458, being an increase of £227,675 over the previous year's figures. The total book value of properties in course of realization amounts to £479,444, while live and dead stock on estates administered by the Department, including abandoned properties, is debited with the sum of £56,436.

The Sinking Fund now stands at £44,396, being an increase of £11,910 on the figures for the previous year.

Arrears and Postponements.—Arrears outstanding in respect of interest and principal amount to £751,544, while the sum of £30,550 has been postponed. Although the receipts for the year constitute a record, it was considered that with the improved prices for the main primary products the arrears should have been much less than they are. Unfortunately, a number of soldiers in a position to meet a substantial portion if not the whole of their dues refrained from doing so. Those who paid their way, if not wholly then in part at some sacrifice, will be in a much better position through revaluation than those who defaulted, in so far as they will not be faced with accumulated arrears postponed to some future date. The Department realizes that many men have made sacrifices to keep faith with it, and appreciates what they have done, and assures them that should some further financial assistance be necessary their claims will receive the most sympathetic consideration.

Property Account.—As stated elsewhere, the Property Account stands at £751,458, being a substantial increase on the figures of the previous year, which amounted to £523,783. It is regretted that it became necessary for a number of soldiers to leave their farms. Inexperience in handling farm and financial matters, combined with the recent depression in prices, no doubt accounted for this. It can hardly be urged that the heavy interest charges on mortgages were always responsible for the abandonment of farms, as interest in the majority of cases had not been paid.

Unfortunately, in most of the above cases little attempt to maintain properties was apparent, with the result that many depreciated farms came into the hands of the Department. With a view to realizing as speedily as possible, the Revaluation Committees that were set up under the legislation of last session were requested to make valuations, and upon receipt of reports the farms are being offered for sale to the public generally, preference being given to returned soldiers.

It is a matter for regret that a number of dwellings on which loans were granted have through default by mortgagors come back on the hands of the Department. This is notwithstanding the fact that the instalments payable constitute an easy rent. In some localities unemployment is attributed as the reason for default, while continued illness as the result of war service causing intermittent employment is also given as a reason. The Department endeavours to handle all cases in a sympathetic manner where it is evident that mortgagors are through no fault of their own unable to pay. There are a number who are, and have been, in a good-enough position to keep up with their payments but have failed to do so. A number of these dwellings are unattractive from the point of view of prospective buyers on account of the condition in which they have been left.

Realization Account.—The balance standing to the debit of the Realization Account amounts to £479,444. This represents the book value of properties in the course of realization. It is probable that the bulk of these will be bought in by the Department, and farms valued by the Revaluation Committees and offered for sale as speedily as possible on attractive terms.

Illegal Sale of Stock.—The Department regrets that it has been necessary to take proceedings against a number of settlers for the illegal conversion of stock and chattels to their own private use, thereby misappropriating the capital provided by the Government. Parties aiding in these transactions have had to make good the proceeds of sales wrongly paid over.

General.—From the statement of receipts and payments it will be observed that advances show a slight decrease on the previous year's figures. The fact, however, must not be lost sight of that the responsible business of the Department does not end with having made advances. The difficult and most important part of the administration arises out of the supervision of securities, particularly stock and chattel securities.

While soldiers are enabled to apply for fresh capital for improving and stocking their lands, and readvances are made from the sales of stock, crops, &c., the necessity will continue for a substantial sum of money being withdrawn from receipts for the purpose of further advances.

With a capital of £20,069,066 invested in over 30,000-odd transactions, it is obvious that the problems confronting the Department present many difficulties, the work being of an exceedingly complicated and intricate nature, and in order to achieve the best results the utmost tact is essential between the various officials and the settlers.

Summary.—A summary of the principal points is as follows :—

	£
Loans raised	20,069,066
Advances authorized	21,863,498
Balance outstanding on mortgage, 31st March, 1923 (including instalments in arrears and postponements)	17,948,181
Arrears—	
Instalments of principal	136,673
Interest	614,882
Postponements—	
Instalments of principal	5,545
Interest	25,006
Loss on realization of securities	31,582
(which is 0.165 per cent. of capital invested on mortgage or in properties owned by Crown—£19,179,083—or 3.423 per cent. of revenue earned—£922,724)	