

Another important factor which also affects productive expenditure is the price at which fresh capital can be obtained. The greater part of our public works have been constructed with capital obtained on relatively very favourable terms, but as a result of the huge destruction of capital during the war it is not to be expected that money will be cheap in the near future. In this connection, too, it must not be forgotten that a large part of the loan capital raised in the past at low rates will fall due in the next few years and have to be renewed at current rates of interest.

The loan recently raised in London cost, including redemption of the discount and expenses over the period of the loan, about £5 6s. 2d. per cent. Used in the construction of productive works this means ultimately increased costs of the services to the consumer, and it is certainly too expensive to be used for works not financially productive.

I hold the view that on completion of the large undertakings now in hand in respect of railways and hydro-electric power, a tapering-off policy should be adopted until a further national stocktaking justifies extensions commensurate with our increasing population and trade.

IMMIGRATION.

There has been a slight falling-off in the number of new arrivals in 1925-26 under the immigration policy, due to the hold-up occasioned by the shipping strike. The percentage of juveniles has been well maintained, and the migration of public-school and secondary-school boys is making good progress. The expenditure last year amounted to £107,521, compared with £136,353 for the previous year. Immigration.

DISCHARGED SOLDIERS SETTLEMENT ACCOUNT.

New loans granted during the year have, as for some time past, been restricted mainly to T.B. and incapacitated discharged soldiers and to advances on current account for improvements to farms and purchase of stock, the total amount authorized during the year being £282,011. The advances paid over during the year, which included commitments from the previous year, totalled £725,974. The repayments and recoveries of principal amounted to £901,393. Discharged Soldiers Settlement Account.

The amount of instalments and interest in arrear and in postponement account as at 31st March was £633,130, being a reduction of £121,820 on the previous year. The reduction, however, is largely due to the operations of the Dominion Revaluation Board by remissions of interest granted on its recommendation.

REVALUATION UNDER DISCHARGED SOLDIERS SETTLEMENT ACTS.

Following the revaluation of discharged soldier properties under the Discharged Soldiers Settlement Amendment Act, 1923, the Dominion Revaluation Board has been giving its attention to adjusting the current accounts of settlers in the manner authorized by the amending Act of 1924. As a consequence, reductions in capital of these accounts up to the 31st March totalling £49,242 were made, while a sum of £5,403 was transferred to Suspense Account. Revaluation under Discharged Soldiers Settlement Acts.

A summary of the position in regard to revaluation reveals—		£
Reductions in capital value of leaseholds		1,754,207
Reductions in value of buildings charged under leases		15,188
Reductions in mortgages		726,601
Reductions in current account		49,242
		£2,545,238
		£2,545,238

In addition, substantial relief by way of remission of rent and interest has been given where deemed necessary, and in other cases postponement for varying terms up to ten years has been arranged. The loss of capital entailed in these revaluations will in due course be written off the £13,500,000 advanced out of the Consolidated Fund.