

1899.

## NEW ZEALAND.

## GOVERNMENT ADVANCES TO SETTLERS OFFICE

(REPORT BY THE SUPERINTENDENT OF THE) FOR THE YEAR ENDING 31ST MARCH, 1899.

*Presented to both Houses of the General Assembly by Command of His Excellency.*

THE transactions of the fourth year of the existence of the office have not been of such a nature as to call for any particular comment. During the year the funds available from the first million-and-a-half loan became exhausted, and it became necessary to withdraw the money lodged with the Public Trust Office in respect of loans repaid and deposits made in reduction of loans. This amounted to about £160,000. When this sum had been reinvested, funds were provided by the Treasury, amounting to £150,000, in anticipation of the balance of the loan or a part thereof being subsequently floated. This amount has not been drawn upon to a larger extent than £80,000, because, as now arranged with the Public Trust Office, the moneys received month by month for deposits and repayments are passed to the Public Trustee and the same day withdrawn, and become immediately available for reinvestment on mortgage; only the 1 per cent. sinking fund, now amounting to £31,589, remaining with the Public Trustee.

The instalments of interest and principal to 31st March, 1898, have been collected in full, no sum remaining outstanding on 31st March, 1899. To a date six months later, viz., 30th September, 1898, there is outstanding a sum of £4 16s. from three people.

The department has no securities on its hands; the property at Waverley, which was referred to in my last report, was quitted, without loss, to an improving settler who has erected a six-roomed house on the land, and has felled 150 acres of bush, besides effecting other improvements since he acquired the place. It is now a good investment.

The inspection of securities by District Valuers has been of manifest advantage to the office in enabling attention to be drawn to any property which was in danger of deterioration through neglect or bad farming.

From the tables attached it will be seen that the Board had, up to the 31st March, 1899, authorised 7,050 advances, amounting to £2,073,425. The total amount asked for by the 7,050 applicants, granted in full and partially, was £2,400,135; 828 applicants declined the grants offered them, amounting to £374,280; so that the net advances authorised to the 31st March, 1899, numbered 6,222, and amounted to £1,699,145. The securities for the net authorised advances were valued at £3,759,399, and these are being enhanced by the expenditure in improvements of part of the money borrowed, and the liability reduced by the periodical repayments of principal. The number of applications received to the 31st March, 1899, was 9,032, for an aggregate amount of £2,959,528.

The contribution payable to the Valuation Department will be £2,500 this year, the Advances to Settlers Office retaining the valuation-fees payable by applicants for loans.

In accordance with the arrangement made with the Post Office two years ago, the contribution to that department will be increased from £500 to £700. The expense of audit has also been increased to £200 a year.

The amount owing to the Consolidated Fund stands at £7,000, the department, in addition to having made provision for payment of the year's interest (£45,000) on the loan, and paid its expenses, having reduced its indebtedness to that fund, which stood at £24,500 on the 31st March, 1898, by £17,500.

The manner in which instalments continue to be met by mortgagors is highly satisfactory, and has in no small degree contributed to the result obtained on the year's operations.

A portion of the second million-and-a-half loan has been floated, and the money temporarily advanced through the Treasury has, since the 31st March last, been repaid. The department has now to make provision for an annual payment of £60,000 interest on loans; but, notwithstanding the increase of £15,000 interest payable in respect of the additional sum raised for investment on mortgage, the department will, on the 1st October next (half-yearly due date) require considerably less than the sum borrowed at the same date last year, and it is fully anticipated that by the 31st March, 1900, the office will have sufficient funds available to meet its liability in respect of interest without assistance from the Consolidated Fund.

Advances to Settlers Office, 7th May, 1899.

JOHN MCGOWAN, Superintendent.