

in the purchase of completed dwellings and single farms would be discontinued. This had the twofold effect of conserving the funds available for the purpose of subdivision, improving, stocking, &c., and of relieving the housing problem in the main centres. Advances are still made for the erection of town dwellings, and in many cases for the purchase of building-sites. The decision to restrict advances to finance the subdivision of farms rather than aid soldiers in purchasing single farms has resulted in increasing settlement. In very special cases of hardship, however, advances are still made for the purchase of completed dwellings. In the case of farms, some loans have been authorized for the discharge of mortgages where soldiers were embarrassed by exorbitant rates of interest charged by private lending institutions.

With regard to the importation of fencing-wire referred to in previous reports the Department indented a further quantity of 150 tons of wire during the year, but in consequence of the fall in price of steel products the demand for this wire has been very disappointing. Settlers who had placed orders with the Department in many cases cancelled them before the wire was landed, and the price has been steadily falling since then, and sales have been at a minimum.

Provision has been made in the Revenue Account for this year for the writing-off of £3,066 19s. 1d., representing loss on live and dead stock purchased by the Department. In the case of some estates offered to the Government, live and dead stock were taken over therewith at reasonable prices at the date on which the estates were acquired. On account of the general fall in price of stock and wool, it is probable that upon allocation to the subsequent selectors it will be necessary to make provision for further losses. The sum involved in the purchase of live and dead stock on estates taken over as going concerns was £57,071 13s., of which the sum of £31,956 3s. 8d. was realized in cash during the year.

Farming operations were carried on by the Department on the Mataikona and Tukurumuri Estates, in the Wellington District. After the properties had been purchased the arrangements entered into were that these operations should continue until the estates were subdivided and settled. The properties were placed under the care of capable managers, and although the businesses were not wound up at the end of the year it is probable that, on account of the fall in the price of stock and wool referred to above, losses will result from these transactions.

During the year the sum of £602,189 13s. 6d. was paid out of the Discharged Soldiers Settlement Account to the Consolidated Fund as interest on loans.

In last year's report I had occasion to draw attention to the difficulties under which the staff were working, and the consequent complaints of delay in the settlement of accounts for the purchase of stock, chattels, &c. I am pleased to be able to report that complaints such as were received in the past are now very few. The financial stringency has, however, thrown a considerable amount of work on the staff in dealing with the applications for postponement of payment of rent, interest, and instalments, which are particularly numerous.

The following statement indicates the number of returned soldiers to whom advances have been authorized, showing under each heading the total amount authorized and advanced from the inception of the Act until the 31st March, 1921 :—

	Number of Returned Soldiers.	Advances authorized. £	Advances made. £
Current Account .. .. .	3,326	3,206,674	2,390,740
Section 2, Amendment Act, 1917—			
Farms, market-gardens, &c. . . . .	5,331	8,512,874	8,280,037
Dwellings, business premises, &c. . . . .	9,196	6,222,432	5,586,009
	17,853	17,941,980	16,256,786
Repayments of advances .. .. .	..	904,313	
Transfers to Realization and other Accounts—Securities in course of realization .. .. .	..	15,996	
			920,309
Balance outstanding on mortgage .. .. .	..	..	£15,336,477

Statement of accounts attached to this report discloses the extent of the financial authorities issued and the actual transactions on the Discharged Soldiers Settlement Account.