

The falling-off in the total area proclaimed is due to the present policy of opening all Crown lands for selection by the general public except those that are regarded as being specially suitable for soldiers. Special preference is, however, given to any soldier who may care to apply. This avoids the expense of opening lands for soldiers, and then having to reopen them to the public when it is discovered there is no demand.

At the present time there are 16,686 acres, comprising eighty sections, open for selection by discharged soldiers only, whilst in addition there is an area of 472,292 acres open for general application, and for which discharged soldiers receive preference. There is also approximately an area of 401,742 acres now under survey, for which discharged soldiers will also have preference when the sections are offered to the general public. It has been found preferable to deal with Crown lands in this way to avoid unnecessary locking-up of large areas owing to the small number of applications now being received from discharged soldiers for Crown lands.

REGULATIONS UNDER THE DISCHARGED SOLDIERS SETTLEMENT ACT, 1915.

Since the consolidation during the past year of the regulations made under the Discharged Soldiers Settlement Act, 1915, further amendments have been made, of which the following are the principal: The provisions of sections 89, 144, and 191 of the Land Act, 1908, are made to apply to land disposed of under these regulations, the effect being that the lessee of such land may, with the approval of the Land Board and consent of the Minister of Lands, subdivide his holding and transfer part thereof; the Governor-General in Council may, as in the case of other selections, resume the whole or any portion of such land, if required, for any public purposes; and the owner of a renewable lease may make payments not exceeding 90 per cent. of the capital value of his holding, upon which his rent will be abated accordingly, and he will be freed from certain conditions and covenants when such payments are not less than 33 per cent. of such value.

FINANCIAL REVIEW.

Loans raised.—The total funds raised under the authority of the Discharged Soldiers Settlement Act for loans to soldiers amount to £20,036,905. Of this amount a sum of £304,435 was raised during the financial year.

Advances authorized, &c.—From the commencement of operations under the Discharged Soldiers Settlement Act to the close of the year, advances amounting to £21,278,221 were authorized to 21,584 returned soldiers. It will therefore be seen that the total sum authorized by way of loans exceeded the actual capital borrowed by £1,241,316. This was made possible by readvancing from receipts obtained from repayments of loans.

The following statement indicates the number of returned soldiers to whom advances have been authorized, showing under each heading the total amount authorized, advanced, and repaid from the inception of the Act until the end of the year, in addition to which the statement further discloses the liabilities in respect of properties taken over by the Crown owing to default under mortgage, as well as the liabilities in respect of properties in course of realization:—

	Authorized. £	Advances made. £
Section 6, Discharged Soldiers Settlement Act, 1915:		
Advances on Current Account—		
4,732 returned soldiers	4,237,159	4,168,236
Section 2, Discharged Soldiers Settlement Amendment Act, 1917: Advances towards purchase of farms, market gardens, orchards, and discharge of mortgages—		
5,489 returned soldiers	8,860,082	8,843,192
Section 2, Discharged Soldiers Settlement Amendment Act, 1917: Advances towards purchase and erection of dwellings and discharge of mortgages thereon—		
11,363 returned soldiers	8,180,980	7,959,275
<u>21,584 returned soldiers</u>	<u>£21,278,221</u>	<u>£20,970,703</u>
Repayment of principal	2,173,113	
Transfers to Realization and other accounts, securities in course of realization	173,436	
Transfers to Property Account: Securities bought in by Department on default of mortgagors	523,783	2,870,332
Balance out on mortgage		<u>£18,100,371</u>

The total of 21,584 soldiers includes 5,414 soldiers who also received advances to finance the purchase of lands as well as advances on Current Account.

From the foregoing statement of authorizations it will be observed that, notwithstanding the Government's decision given early in the year that loans to finance the erection of dwellings should be discontinued, it was subsequently found possible, by means of the fresh capital provided, amounting