

Consideration was given as to whether a portion of the capital receipts could be applied towards assisting in the erection of further houses in urban and suburban areas, but it was deemed necessary to apply the greater portion of the capital receipts in the direction of further loans for developing and stocking farms to make them more profitable.

Stock.—The prices obtained from the sale of sheep and wool have been high, and those settlers whose farms have been stocked with sheep have been enabled to considerably overtake the difficult position that immediately followed the slump. The prices obtained for good dairy cows show a big decline compared with prices ruling a few years previously, while the prices for store cattle show a slight improvement. It is regretted that, notwithstanding the advice given by experienced farmers and officials, a large number of settlers fail to maintain their flocks and herds up to a profitable standard by prudent culling and breeding. The practical handling of stock is an essential factor towards the successful running of a farm. Where weakness is manifested in the management of stock, the Department is insisting upon the adoption of a wise policy of culling and breeding.

Maintenance of Farms.—A number of settlers fail to realize the necessity of allocating a reasonable portion of the income from their farms towards the maintenance of pastures, with the result that farms which at one time were highly productive now show substantial deterioration. They appear to consider that the Department should provide means for this purpose. It does not occur to them that the purchase of fertilizers for farms in running-order at the time of acquisition becomes an annual charge on the farm returns. The failure of the Department to appreciate requests for maintenance of pasture has caused many complaints. Assistance is, however, given for the purpose of bringing properties to a productive state, after which the settlers must themselves attend to the maintenance of their properties.

Receipts and Payments.—The Receipts and Payments Account discloses that repayments in respect of advances amount to £795,841, being an average of £66,320 per month, while interest receipts total £627,921, or an average of £52,327 per month. The monthly average receipts, therefore, total £118,647, against £113,845 for each month in the previous year. The figures for this year as compared with the previous two years are as follows:—

		1921-22.	1922-23.	1923-24.
		£	£	£
Principal	553,345	716,667	795,841
Interest	556,301	649,463	627,921

Although the returns show an improvement on those of previous years, it was nevertheless considered that, with the improved prices obtained from wool, mutton, &c., and the good prices obtained for butterfat, the receipts would have exceeded the above figures.

On the expenditure side advances under all heads total £1,198,832. Recoupment of interest to the Consolidated Fund amounts to £343,220. A sum of £540,000 still remains to be paid to the Consolidated Fund as interest on the accumulated Consolidated Fund surplus invested in the Discharged Soldiers Settlement Account. The expenses of administration, including travelling-expenses of Supervisors and Inspectors, &c., amount to £47,256; this figure excludes the sum of £18,139, being the cost of Inquiry Boards and Revaluation Committees.

Revenue Account.—The net loss made during the year was £110,143, which, together with the loss brought forward from the previous year, makes an aggregate net loss of £270,909. The principal items contributing to the loss for the year are as follows:—

	£
Charges and expenses in raising loans.. ..	10,079
Expenses of management, &c.	47,256
Inquiry Board expenses	5,528
Rebates for prompt payment	38,651
Loss on realization of securities	31,582
Sinking Fund reserve	11,910

Percentage of Administration Expenses, &c.—The following shows the percentage of administration expenses and losses to capital invested on mortgage, lands owned by the Crown and in course of realization, and to revenue earned during the year:—

	Percentage to Capital invested on Mortgage and Property owned by Crown and in course of Realization (£19,179,083).	Percentage to Revenue earned for Year (£922,724).
Cost of administration, including Supervisors' travelling-expenses, &c. (£47,256)	0.246	5.121
Losses on realization (£31,582)	0.165	3.423
Net loss on Revenue Account to 31st March, 1924 (£270,909)	0.708	..

Balance-sheet.—As stated elsewhere, the capital provided by the Government is £20,069,066. Interest accrued to the 31st March but not payable on that date amounts to £102,323, while the account is made liable for payment of £540,000 as interest due to the Consolidated Fund. The net capital outstanding on mortgage is £17,805,963, to which must be added instalments of principal owing and postponed amounting to £136,673 and £5,545 respectively, making a total capital of £17,948,181. Interest outstanding amounts to £614,882, while interest postponed is £25,006, the total interest outstanding being £639,888. Property Account, which represents liabilities on pro-