

FINANCIAL REVIEW.

The two main accounts concerned with the settlement of returned soldiers are the Discharged Soldiers Settlement Account and the Land for Settlements Account (Discharged Soldiers Settlement Account), advances on the security of mortgages and bills of sale being made out of the former, while the latter account was established in 1919 to provide funds for the purchase by the State of lands for settlement by returned soldiers.

CAPITAL PROVIDED.

Discharged Soldiers Settlement Account :—				£	£
Loans raised by issue of debentures and other securities	..	..	..	6,587,836	
Redemption from Consolidated Fund	..	..	..	2,500	
Transfer from Consolidated Fund surpluses	..	..	..	13,500,000	
					20,090,336
Land for Settlements Account (Discharged Soldiers Settlement Account) :—					
Loans raised by issue of debentures and other securities	..	..	..	3,222,050	
					23,312,386
Other accounts :—					
In addition, lands were set aside for settlement by returned soldiers purchased out of—					
Land for Settlements Account	..	..	..	2,514,000	
Native Land Settlement Account	..	..	..	750,000	
					£26,576,386

DISCHARGED SOLDIERS SETTLEMENT ACCOUNT.

Capital.—As stated above, the capital raised was £20,090,336, representing a net increase of £18,770 on the previous year's figures, after providing for redemption of debentures by £4,100.

Loans authorized.—Total loans authorized from the inception of the Act amount to £22,208,292, being £2,117,956 in excess of capital provided. This has been due to the reinvestment of capital receipts to further promote the settlement of returned soldiers. Loans amounting to £344,794 were authorized during the year to 113 returned soldiers.

The following table indicates the total loans authorized from the inception of the Act and those issued during the year :—

	Authorized from Inception of Act.		Authorized during Year.	
	Number of Returned Soldiers.	Amount authorized.	Number of Returned Soldiers.	Amount authorized.
Section 6, Discharged Soldiers Settlement Act, 1915—		£		£
Advances on Current Account	4,918	4,663,593	73	277,587
Section 2, Discharged Soldiers Settlement Amendment Act, 1917 — Advances towards purchase of farms, market-gardens, orchards, and discharge of mortgages	5,507	8,938,750	9	33,321
Section 2, Discharged Soldiers Settlement Act, 1917— Purchase of dwellings, &c.	11,901	8,605,949	31	33,886
	22,326	22,208,292	113	344,794

In addition to the 4,918 soldiers to whom advances were made for improvements, stock, &c., 5,394 of the 5,507 soldiers to whom loans were granted under section 2 also participated in similar loans, the total, therefore, reaching 10,312.

Current Account Authorities.

Current Account Advances.—Loans granted under this head were made for the purpose of assisting soldiers to improve and stock their farms; but the time has arrived when the loans on Current Account on the security of improvements should be capitalized with the loans granted under section 2 to finance the purchase of lands, or transferred to table mortgages in the case of leaseholds not subject to section 2 loans. The consent of the holders of subsequent private mortgages requires to be obtained to enable the Crown to maintain the priority which it enjoys with the Current Account mortgages; but it is considered that, on its being represented to private mortgagees that the new mortgages will provide for the gradual extinction of loans on easy terms, little difficulty will be experienced in securing priority for these mortgages in substitution of the prior mortgages now held by the Department.

Discharge of Mortgages.—Under the authority of the Discharged Soldiers Settlement Amendment Act, 1923, negotiations were entered into by the Dominion Revaluation Board to secure the discharge of private mortgages, which resulted in a sum of £18,994 being advanced to forty-two soldiers for this purpose.