

FINANCIAL REVIEW.

DISCHARGED SOLDIERS SETTLEMENT ACCOUNT.

Advances authorized.—Financial assistance by way of new loans or additional advances has been granted in 790 cases, the total amount authorized being £202,767. These authorities have been distributed as follows:—

	New Loans.		Additional Loans.	
	Number.	Amount.	Number.	Amount.
Discharged Soldiers Settlement Act, 1915, section 6— Advances on current account	68	£ 30,580	600	£ 131,698
Discharged Soldiers Settlement Amendment Act, 1917, section 2—Advances on farms, &c. .. .	6	5,360	17	8,742
Advances on dwellings	19	11,425	80	14,962
	93	47,365	697	155,402

Loan Capital.—The amount of loan capital now stands at £15,523,645 16s. 8d., the amount outstanding against debentures having been reduced by £157,350: It will be seen from the balance-sheet published at the end of the report that, while the interest rate to the State on the greater part of the debenture capital is $5\frac{1}{2}$ per cent., the rate varies from $2\frac{3}{8}$ per cent. to 6 per cent. The Consolidated Fund capital of £10,850,000 bears interest at the rate of 4 per cent.

Cash Receipts.—As might be expected, owing to the fall in market prices and unemployment, the receipts for the year have fallen considerably, showing a reduction of £421,316 on the figures for the previous season. The comparative figures for the last five years are:—

	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
Capital ..	945,293	1,067,392	1,205,892	1,054,123	749,090
Revenue ..	708,391	755,586	757,761	727,703	604,988
Total ..	1,653,684	1,822,918	1,963,653	1,781,826	1,354,078*

* Excludes £6,432, Hawke's Bay receipts, not allocated at 31st March on account of earthquake.

While the drop is to some extent accounted for by the fall in receipts for payments due, the greater part is represented by the lack of movement in the property market generally, so that the amount received by way of repayments of advances which usually occur in connection with the transfer of properties has been below the average.

Sundry Debtors.—Coincident with the fall in cash receipts the outstandings on debtors' accounts for current payments and postponements have increased from £355,547 to £447,271, a net increase of £91,724 for the year. The Department has endeavoured to meet the circumstances of individual mortgagors who have found themselves unable to meet their engagements in full on account of decreased revenue, and farmers are not being displaced at the present time merely because of inability to pay rent, instalments, or interest. It is expected, however, that while many people may not be in the position to meet their payments in full, they should do so to the best of their ability, recognizing that where one falls short an increased burden is thrown upon the general taxpayer.

Properties on hand awaiting Selection.—At the end of the year there were 101 leasehold farms previously held by discharged soldiers available for disposal, while 100 farms against which advances had been made to purchase were also awaiting selection. The total area covered by these properties represented 114,890 acres, priced at £175,908. The Department will be pleased to receive offers for any of these farms, about which particulars can be obtained from the Commissioner of Crown Lands for the district, and in some cases loans for development purposes may be considered.

In regard to residential properties, there were 189 unsold at the close of the year, valued at £124,625. Of these, 118 were let at a total weekly rental of £111. These houses are available for sale on very easy terms.

Revenue Account.—The result of the year's working shows an adverse balance of £234,007, of which some £200,681 represented losses on realization and reductions in value under statutory provisions.