

NATIONAL ENDOWMENT ACCOUNT.
PRIMARY-EDUCATION ENDOWMENT DEPOSIT ACCOUNT.
SECONDARY-EDUCATION ENDOWMENT DEPOSIT ACCOUNT.

840. The position in regard to national-endowment lands and education reserves is dealt with in our report in regard to education expenditure. These lands are endowments which have been set aside to provide funds for education and old-age pensions. In view, however, of the rapid growth of the expenditure on these social services and the relatively small revenue derived from the endowments, they have become more or less meaningless, and **the preservation of the separate accounts and the existence of special statutory provisions governing the administration of national-endowment lands and education reserves complicates the administration of the Department, and is not conducive to economical working.**

841. **We have accordingly recommended that these endowments be abolished**, that the lands become ordinary Crown lands subject to the Land Act, 1924, that the revenues be paid into the Consolidated Fund, and that the total amount required for education and old-age pensions be subject to annual review and appropriation by Parliament.

842. It should be stated here that the Lands Department is concerned with the administration of very many separate endowments and special accounts, and no less than thirty-five balance-sheets are prepared annually in respect of these various endowments and accounts. Any means whereby this number can be reduced will certainly tend to simplification and economy of administration.

MISCELLANEOUS ENDOWMENTS.

843. The Department controls a number of miscellaneous endowments for special purposes such as Auckland Museum Endowment, Bluff Harbour Endowment, &c. It is unnecessary to detail the whole of these endowments. A charge is made for the administration of each, and the net revenue is paid each year to the authority concerned. **We see no necessity, however, for the following special endowments, which we recommend should be abolished :—**

New Zealand University Endowment, Westland.
North Island Experimental Dairy School Account.
Taranaki Scholarship Endowment Account.

844. We recommended in our interim report that the last-mentioned endowment be abolished. The other two should also be abolished, and the revenue from the lands should be paid to the Consolidated Fund, from which should be appropriated any amounts required for the relative purposes for which the endowments were originally set aside. The maintenance of a large number of special endowments needlessly complicates the administration, and tends to obscure the real position regarding assistance given to various activities.

LAND FOR SETTLEMENTS ACCOUNT.

845. The Land for Settlements Account was first established in 1892 when provision was made for raising loan-money for the acquisition and subdivision of large estates.

846. The Act now provides for the setting-up of a Dominion Land Purchase Board, the duties of which are to consider and report to the Government on the suitability or otherwise of land offered to the Government for settlement purposes. The Board also considers applications for the purchase of properties under Part II of the Land Laws Amendment Act, 1928. This Act provides that any two or more persons eligible to acquire land under the Land for Settlements Act may make application to the Dominion Land Purchase Board to purchase on their behalf private land with respect to which tentative arrangements have first been made with the vendor by the applicants. The main point is that all offers of land for settlement purposes are subject to consideration by the Dominion Land Purchase Board. The Act also provides for the constitution of a local Land Purchase Board for each Island to assist the Dominion Land Purchase Board and to consider in the first place any offers of land for settlement.

847. The total loan capital at present is £11,025,304, but the sum of £1,138,600 has been written off an account of losses on soldier settlements. The latter amount is now accordingly being treated as part of the national development expenditure of the Dominion which is strictly non-productive. Actually the position is that loan-money to the extent of £12,163,904 has been raised for land-settlement purposes since the inauguration of the Land for Settlements Account. The Cheviot Estate Account has also been amalgamated with the Land for Settlements Account, and loans to the extent of £160,918 are outstanding on the purchase of the Cheviot Estate. This latter purchase has been a most favourable one, and no loss will be suffered by the Crown in respect thereof.

848. Under the Land Laws Amendment Act, 1912, the Land for Settlements Account is also credited with the proceeds derived from the sale of Crown land, as it was apparently considered reasonable that the money derived from this source should be used to finance further purchases. The position for many years was that this free capital from the sale of Crown lands was enjoyed by the Land for Settlements Account, and no return was received by the Consolidated Fund from the Account. The position therefore was that while the Consolidated Fund received rentals from Crown tenants this source of revenue automatically ceased when tenants exercised their right to acquire the freehold of their properties, and land revenue available for the general purposes of the Government therefore became a diminishing quantity, while the Land for Settlements Account had the use of considerable sums of free money.

849. At the present time the accumulated amount derived from the sale of Crown lands and paid to the Land for Settlements Account is £2,170,938. It was not until 1926 that the law was amended to provide that interest on the amount derived from the sale of Crown lands should be paid from the Land for Settlements Account to the Consolidated Fund.