Regulations.

24. As the original regulations under the Act have been amended from time to time they were consolidated and published in the *Gazette* of the 22nd August, 1918, but since that date further amendments have been made and published in the *Gazettes* of the 7th November, 19th December, and 1st May last, whilst other amendments are in contemplation with a view to extending the concessions which may be granted under the Act and simplifying the procedure of obtaining advances, &c. It may be pointed out that it is very essential in cases where the expenditure of large sums of public money is involved that care be taken to see that such moneys are expended as authorized by Statute and that the Crown's interests and advances are properly safeguarded; and in framing and amending the regulations these points have to be considered.

Financial Assistance.

25. The total amount raised by issue of debentures at the 31st March was £900,000.

26. During the past financial year a total sum of £193,462 was advanced on mortgage on current account for the purpose of assisting soldiers to erect dwellings and effect general improvements on their holdings, as well as enabling them to purchase stock, farming implements, &c., and cultivate their lands for the purpose of cropping. The whole of these advances were made on the certificates of the Crown Lands Rangers or other reliable persons interested in the development of soldiers' settlement.

A substantial portion of the total amount advanced was earned by the settlers as remuneration for their labour in improving their sections instead of arranging for the development-work to be done by contract. This enabled them to be financed during the period that their lands were not in a position to fully support them.

27. In addition to advances made on current account on the security of farm lands, a sum of £207,235 was advanced under section 2 of the Amendment Act, 1917, enabling returned soldiers to purchase the fee-simple of private lands or acquire interests in leases administered by the Land Boards or discharge their mortgages. Several soldiers have taken advantage of the provision enabling them to discharge their mortgages so that the Crown may have first security for advances made. By doing so they have been able to obtain further accommodation by way of mortgage on current account for the purpose of stocking their lands and effecting further improvements.

28. The sum of £212,583 was advanced to enable urban and suburban residents to purchase their own homes on an easy time-payment system. The regulations now enable mortgagors to make repayments monthly instead of half-yearly as hitherto, and as most of those taking advantage of this means of securing homes are in receipt of small incomes it is considered that the monthly system of repayment gives them a better opportunity of meeting their obligations than by paying half-yearly. It is pleasing to note that a fair proportion of the soldiers have obtained advances for the erection of dwellings on their own freehold sections.

29. Owing to the high cost of fencing-wire and roofing-iron during the war period, and to the limited stocks in the hands of merchants, an effort was made to import from the United States, 472 tons of wire and 107 tons of iron being ordered. 191 tons of wire and 47 tons of iron were delivered up to the 31st March, leaving uncompleted orders then amounting to 281 tons of wire and 60 tons of iron. The restrictions placed by the United States Government upon the export of steel and iron products prevented orders being fulfilled as readily as could have been wished, in addition to which freight space was very limited; in fact, not only did the Government experience difficulty in securing freight, but similar difficulty was experienced by merchants. It was not until some considerable time after the termination of hostilities that any assurance could be given that shipping-space would be available for goods to New Zealand. Various efforts were made through the Munitions and Supplies Department to obtain preference in favour of providing space for goods ordered for the use of returned soldier settlers, but without result.

Notwithstanding that the delay in the execution of the orders caused a loss to the Department, the fact that it had come upon the scene as an importer of wire and iron had a steadying influence upon prices. While corrugated iron was being sold at prices ranging from £85 to over £100 per ton the cost of the quantity received during the year by the Department averaged £60 17s. 6d. per ton into store, while the average price of fencing-wire into store was £44 11s. 3d. At the time that this wire was received merchants were charging from £50 to £55 per ton. The quantity of iron on hand at 31st March was 16 tons 11 cwt., the price of which has been written down to £45 per ton; wire on hand amounted to 65 tons 14 cwt., the price of which has been written down to £30 per ton; both adjustments being in consequence of the general fall in prices after the termination of the war. The total amount written off of iron and wire at 31st March is £1,540.

30. The following statement briefly indicates the number of returned soldiers to whom advances have been authorized, showing under each heading the totals authorized and made from the inception of the Act to the 31st March:—

	Returned Soldiers. Number.	Advances authorized. £	Advances made. £
Section 6—Current account	900	433,619	337,736
Section 2, Amendment Act, 1917—			
Rural lands	263	397,801	207,235
Dwellings	529	318,752	212,583
	1,692	1,150,172	757,554
Repayment of advances, &c.	..	..	35,130
Balance out on mortgage	..	..	£722,424

31. Statements of accounts attached to this report disclose the extent of the financial authorities issued and the actual transactions on Discharged Soldiers Settlement Account.