

their properties and becoming contented settlers. Those men who suffered through inexperience have now bought sufficient experience to carry them through, and, except for a few who would be doomed to failure in almost any walk of life, they should be successful.

Property Account.—With regard to the sum of £32,669 6s. 10d. standing to the debit of Property Account, this represents the reserve price placed on properties which have been put up for sale and bought in by the Department. Some of these have already been disposed of, while others have been leased temporarily pending a more favourable turn of the market.

Realization Account.—The sum of £80,121 17s. 7d. shown as a charge on the Realization Account represents properties which have been abandoned and regarding which instructions have been issued for sale. These properties will now have been put up for sale, and either purchased by the highest bidder or bought in by the Department in the event of the reserve price not having been reached.

Interest paid on Debentures.—It may be mentioned that the Discharged Soldiers Settlement Account paid the sum of £858,557 as interest on debentures during the year. Most of this was paid to the Consolidated Fund as interest on the moneys transferred from the Reserve Fund securities which have been invested in the Discharged Soldiers Settlement Account.

Release of Liens over Wool.—Owing to the financial stringency it was decided to release the Department's liens over the wool-clip for the 1921-22 season on the same conditions as releases were granted during the previous season. This enabled woolgrowers to obtain accommodation from wool-brokers against clips, to enable them to obtain the necessities of life and carry on their farming operations to a limited extent. Unfortunately, some of the brokers did not respect the object of the release of the liens, and took advantage of this concession by trading in a general way, often resulting in the sale of plant and material quite unnecessary for the properties, more particularly at a time when the utmost economy should be exercised in farm management.

General.—It would not be out of place to stress the point that although advances were not made at the same rate as in the preceding years, yet the problems confronting the Department in the administration of the business already established were very much more difficult to handle and satisfactorily settle than during the time of plenty. It has been sometimes urged that because advances have diminished, the work of the Department has decreased likewise; but it cannot be too strongly emphasized that the work of any concern or organization allied closely with economic conditions is frequently much greater when attending to the business already established than the actual establishment of such business, more especially when passing through a period of financial stress.

It is submitted that the operations on the Discharged Soldiers Settlement Account for the year under review can be regarded as satisfactory. The markets were, of course, in a state of chaos for practically the whole year, affecting not only discharged soldiers but the general farming community, and it is only to be expected that the arrears due by mortgagors would be large. However, the losses which have been disclosed are considered to be small when it is remembered that practically £20,000,000 is involved.

In conclusion, it is suggested that although a loss on the account has been made, it is, in reality, only the taxpayer's contribution towards the repatriation of soldiers settled on the land, and, as before stated, this amounts to the small sum of £2 2s. 4d. per man settled.

Summary.—A summary of the important points is as follows:—

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Loans raised	19,777,680
Balance outstanding on mortgage, 31st March, 1922	18,113,156
Arrears—	
Instalments of principal	54,493
Interest	331,352
Postponements—	
Instalments of principal	3,981
Interest	22,489
Loss on realization of securities	6,463
(which is 0·036 per cent. of capital invested, or 0·769 per cent. of revenue earned.)	
Administration expenses, &c.	44,266
(which is 0·244 per cent. of capital invested, or 5·272 per cent. of revenue earned.)	
Net loss on Revenue Account to 31st March, 1922	43,155
(which is 0·238 per cent. of capital invested, and represents a cost of £2 2s. 4d. per man settled.)	
Advances paid out during year	3,473,163
Repayments of advances during year	553,346
Interest received	566,302
Interest paid by Discharged Soldiers Settlement Account on loans raised	858,557

Accounts.—Statement of accounts attached to this report discloses the extent of the financial authorities issued and the actual transactions on the Discharged Soldiers Settlement Account.