DISCHARGED SOLDIERS' SETTLEMENT.

Discharged soldiers' settlement.

This great work is now virtually completed, and the extension of operations during the last financial year was relatively small. Apart from badly wounded or T.B. men who have previously not been able to take advantage of the facilities offered, the new business has been confined to advances on Current Account for the development of farms and the stocking of the same.

The balance outstanding on Current Account at the close of the year was £2,801,152, additional loans approved during the period amounting to £92,367. Progress is now being made in the direction of converting advances on Current Account to table mortgages.

Owing to the losses which have been incurred the revenue receipts for the year were insufficient to provide for the payment of the full amount of interest due to the Consolidated Fund. There has been some criticism as to the non-payment of this interest, in view of the fact that the Discharged Soldiers Settlement Account appeared to be in credit. Of the total sum due, the Consolidated Fund received £362,721, but further payments could not be made as the balance of the account consists of capital repayments not available for interest purposes.

Legislation will be introduced this session to provide for writing off accumulated losses and also reductions in values recommended by the Revaluation Board under the provisions of the Discharged Soldiers Settlement Amendment Acts, 1923 and 1924.

LOCAL GOVERNMENT LOANS BOARD.

Local Government Loans Board.

Since 1921 the loan indebtedness of local authorities has nearly doubled, and at the 31st March, 1926, amounted to £60,194,911, which is equal to £42 15s. per head of the population. Some measure of control was deemed necessary, and accordingly the Local Government Loans Board Act was passed last year, coming into operation on the 1st April last.

In pursuance of the Act a representative Board has been appointed, and has taken up the duty of investigating the loan proposals brought forward by the local authorities. It is the function of the Board in the first instance to determine whether the work for which a loan is proposed will justify recourse to borrowing. The question of adequate sinking funds has also to be arranged. Generally speaking, the sinking fund should be fixed at a rate sufficient to pay off the loan within the estimated "life" of the asset created. Finally, the Board must take into consideration the capacity of the ratepayers to meet the additional loan charges.

STATE COMMERCIAL ENTERPRISES.

State commercial enterprises.

It is satisfactory to report that the State Departments run on commercial lines have in the main experienced a successful year in 1926–27.

Government Life Insurance Department.

The steady progress of the Government Life Insurance Department was well maintained during the year, and the total business now in force comprises 65,396 policies, assuring £20,218,404, including bonuses. The triennial investigation of the Department's liabilities as at the 31st December last resulted in a surplus which allowed reversionary bonuses to be allotted to the extent of £664,400, being the largest division of profits in the history of the Department.

State Fire Insurance Office.

The State Fire Insurance Office had a most successful year. The income received, £233,545, was a record for the Office; and although very much heavier losses were incurred, and the rate of bonus rebate was increased from 10 per cent. to 12½ per cent., the year's operations resulted in a profit of £51,237. The Accident Department showed excellent increases in the premiums and interest received. The surplus for the year was £14,332, as against £8,390 for the previous year.

I have already referred to the operations of the State Advances Department, the satisfactory working of which is well known.

Public Trust Office.

I refer next to the Public Trust Office. The value of estates and funds under the administration of this office on the 31st March last totalled £41,043,523, a net increase for the year of £3,034,043. In the last ten years the net increase