18. *Repayment of Mortgages.*—The figures below do not include repayments provided for under the tables. They represent the repayment, either in part or in whole, by mortgagors of the amounts secured to the Department:—

	£		£
1930	344,503	1933	125,221
1931	229,384	1934	218,337
1932	125,084	1935	418,569

A graph (Form No. 2) illustrates the comparison over the period 1930 to 1935.

19. *The Mortgagors and Tenants Relief Act, 1933.*—Under section 10, paragraph 5, of the above Act power was given to this Office, on the application of a mortgagor, to agree to the postponement of principal repayment by way of temporary relief. Section 19 of the Finance Act, 1932, gave the necessary authority for the capitalization of arrears of interest. The following table illustrates the relief extended by the Department to its mortgagors during the financial year just ended:—

	Number of Cases.		Amount. £ s. d.
(1) Arrears of interest remitted	131		16,693 16 2
(2) Current interest reduced	82		..
(3) Arrears of interest capitalized	306		40,294 8 8
(4) Suspension of principal repayments	3,188		106,187 8 6
(5) Mortgage readjusted	108	Annual instalments reduced—	
		From	9,548 12 2
		To	5,797 14 4
		Annual reduction	£3,750 17 10
(6) Term of mortgage extended	8	Annual instalments reduced—	£ s. d.
		From	775 16 4
		To	710 15 10
		Annual reduction	£65 0 6

20. The above table includes any relief granted through the Court or any relief that was agreed to by way of a compromise once proceedings had been initiated by the mortgagor. There were in all 428 cases during the year in which proceedings were taken either by the Department or the mortgagor. Of this number, 264, or 60 per cent., were initiated by the mortgagor. Three hundred and fifty of the applications related to rural securities, and this number was made up of 205 applications in respect of dairying securities and 117 in respect of sheep-farming properties. Approximately two-thirds of the cases were disposed of by the Court or by arrangement between the Department and the mortgagors. Approximately 143 still await finalization by the Court. Application was withdrawn by the mortgagor in 40 instances, while in 43 cases the applications were dismissed by the Court.

The following is a brief summary of the forms in which relief, apart from the voluntary arrangement between the parties, was granted:—

In 128 cases arrears were postponed.
In 45 cases interest arrears were remitted.
In 58 cases current interest was reduced.
In 10 cases arrears were capitalized.
In 52 cases a pooling arrangement was ordered or consented to.

It will be seen that the method of relief most availed of is that by way of a suspension of principal repayments of the instalments due.

21. *Office Organization.*—The State Advances Office organization at the end of the financial year under review consisted of a total staff of 219, made up of 108 permanent officers and 111 temporary officers. The Head Office is in Wellington, and operates through three branches, its agencies in other towns throughout New Zealand, its legal representatives, and its field representation,