

process of closer settlement which has in itself proved so beneficial in other ways.

The demand for these lands continues unabated, but it must be remembered that, apart from cost, the extent of land suitable by quality and position for close settlement is not plentiful.

The market for rural lands has for some time past been somewhat inflated, and especially so in the case of suburban areas, and owners in many cases are still asking excessive values, rendering purchases difficult to negotiate, as the future of the settlements depends upon the rents being reasonable.

#### ADVANCES TO SETTLERS.

This eminently serviceable and profitable Department continues its success. About 28,000 settlers and workers have received assistance amounting to £9,810,725. The average amount of the advances now outstanding is £390 for the settlers, and £251 for the workers.

The total amount of the advances for the combined Departments during the year amounted to the record sum of £1,792,019, and this average has been maintained throughout the year. Four years ago the total amount of advances made during the year was £100,000.

The Department advanced during the year in the Settlers Office alone £1,521,409, an excess over the previous year of over a quarter of a million.

It is difficult to conceive what would have been the state of things during the past twelve months if the Advances to Settlers Department had not been in existence. Owing to the financial depression throughout the world, the pinch has been felt in New Zealand, but it would have been positively disastrous had not this Department been able to grapple with the emergency as it did. At the same time, as evidence of the advantage of obtaining the assistance at low rates of interest, the instalment-payments of principal and interest have been met with the usual promptitude, the stringency of the money-market having apparently not affected the ability of mortgagors to meet their instalment-payments to any noticeable extent—a sufficient proof of the value of this Department in affording relief in times of depression.

The repayments to the Department from all sources totalled £801,980. These show a steady increase as a result of the larger amount of money being advanced annually, but a considerable reduction has taken place in the amount of mortgages repaid in full, or in part, this year as compared with former years; and it will be observed that the claims made on the Department have grown unexpectedly quite out of proportion to the moneys repaid. This will, however, adjust itself when money becomes easier. It is therefore clear that unless the benefits and advantages to be derived from the Department are to be denied to numbers of deserving settlers and workers desirous of obtaining advances at a low rate of interest, at a minimum of cost, the borrowing-powers of the Department must be maintained, and I have already placed before the House proposals to enable this be effected.

#### ADVANCES TO WORKERS.

The system of making advances to workers has been in existence now a little over two years, and the sanguine hopes expressed for the measure when being placed on the statute-book have been more than realised by the great success which has attended the operations of that branch of the Department. The advances paid out during the year numbered 1,116, and amounted to the sum of £298,184 6s., an excess over the previous year of 336 loans for £94,206 3s. 10d. Up to the 31st March last, loans aggregating £603,800 had been granted to 2,399 workers, who have been able to acquire homes for themselves and their families under the favourable and liberal conditions offered by the Act. The increase of the borrowing-powers from £200,000 to £500,000 in any one financial year as provided by the Act passed last session has materially aided that branch of the Department in its endeavours to meet and supply the growing needs of the workers.