

In the Workers Branch the full amount allowed by the law is being advanced.

AMOUNTS OF ADVANCES PAID OVER DURING YEAR ENDED  
31st MARCH, 1916.

	£
Advances to settlers .. .. .	814,555
Advances to workers .. .. .	275,680
Advances to local authorities .. .. .	285,410
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	£1,375,645

LOANS AUTHORIZED BUT NOT PAID OVER AS AT 31st MARCH, 1916.

	£
Advances to settlers .. .. .	147,279
Advances to workers .. .. .	85,185
Advances to local authorities .. .. .	300,490
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	£532,954

There has been no increase in the rates of interest chargeable to settlers, workers, and local bodies during the year. The rates to settlers and workers remain at 5 per cent., reducible to  $4\frac{1}{2}$  per cent. for prompt payment. The rate chargeable to local authorities remains at  $4\frac{1}{2}$  per cent.

#### DEFENCE.

The work of the military authorities and of the Defence Department has steadily increased. Additional units have been added to the original Expeditionary Force, and continual and ample reinforcements have been regularly despatched without a hitch or serious accident. This is the more creditable owing to the fact that the military authorities have, in the absence of a naval administration, assumed the function of fitting, equipping, and maintaining a regular troop transport system for the conveyance of troops to the seat of war.

It is satisfactory to know that the new units and reinforcements have met with general approval by the Army Council and the Imperial Training Staff at the base in Egypt as regards their physique and training.

As a natural result of active service abroad, sick and wounded invalided soldiers have been regularly returning to the Dominion. The arrangements for their reception and comfort have been carefully and well carried out by the Defence and Public Health Departments working in conjunction.

Concurrently with the training and forwarding of regular reinforcements, the Territorial or home-defence training-system has been carried out. Without this regular system it is certain that the Expeditionary Force despatched to occupy Samoa, and the main force and reinforcements, could not have been so efficiently and expeditiously despatched and maintained.

It is to the lasting credit of the employers within the Dominion that, despite the inconvenience to which they have been put by the enlistment of many of their employees for service abroad, they have continued to support the annual training of the Territorial Forces, and have in this manner contributed to the successful enrolment of the Expeditionary Forces and reinforcements.

During the past year a Minister of Supplies and Munitions has been appointed, and under his control the co-ordination of manufactures and supplies throughout the Dominion has been brought about, thus ensuring improvements and sufficiency of equipment to meet the military demands.

The expenditure out of revenue on account of defence amounted to £432,227, or £60,616 less than the estimated requirements.

#### PURCHASE OF MILITARY STORES AND SUPPLIES FOR THE EXPEDITIONARY FORCES.

Owing to the fact that the wool-sales are held in November–December yearly, it is found convenient to estimate prices and to review expenditure over the period of a calendar year, rather than over the period of a financial year terminating on the 31st March.