

STATE ADVANCES OFFICE.

This important Department of the State is still continuing its operations, although the lending Board has since the war began found it necessary to restrict the amounts which can be lent to any one local authority or individual.

A considerable amount is being lent to local authorities, but no individual authority is granted a loan in excess of £5,000 in any year.

The maximum allowed a settler for improvements is £1,000, while under the Workers Branch the full limit allowed by law—£450—is being advanced.

The rate of interest has remained unaltered. The rate chargeable to local authorities is $4\frac{1}{2}$ per cent., and to settlers and workers 5 per cent., reducible to $4\frac{1}{2}$ per cent. for prompt payment.

STATEMENT SHOWING TOTAL AMOUNTS OF ADVANCES PAID OVER FROM THE COMMENCEMENT OF SCHEME TO 31ST MARCH, 1917.

	£
Advances to settlers	17,240,300
Advances to workers	3,347,395
Advances to local bodies	2,841,140
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	£23,428,835

STATEMENT SHOWING LOANS AUTHORIZED BUT NOT PAID OVER AS AT THE 31ST MARCH, 1917.

	£
Advances to settlers	105,105
Advances to workers	53,105
Advances to local bodies	221,795
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	£380,005

DEFENCE DEPARTMENT.

The necessary details regarding the expenditure of the Defence Department are set out in the annual report of the General Officer Commanding the New Zealand Military Forces, a reference to which will show that the work of the Defence staff, both military and civil, has increased enormously.

The war expenditure for the year ended 31st March, 1917, amounted to £14,344,523, including pay of troops, cost of transport, supplies, equipment, relief moneys, and all maintenance or other charges in connection with the war, as well as the administrative expenses of the National Efficiency Board, Munitions and Supplies Board, Soldiers' Financial Assistance Board, and Discharged Soldiers Information Department.

The total war expenditure up to the 31st March, 1917, with advances outstanding, amounted to £23,337,475.

If the present rate of reinforcements is maintained it is estimated that a sum of £24,000,000 will be required for the financial year 1917–18. Details of the expenditure will be laid before the House in due course by the Hon. the Minister of Defence.

It is a matter of congratulation that during the year all necessary reinforcement drafts were despatched from New Zealand with unfailing regularity, and that they reached their destination safely.

General satisfaction is expressed by the authorities in the United Kingdom and Egypt at the efficiency and quality of the reinforcements which have arrived during the year.

The training syllabus in New Zealand is kept up to date, and is systematically arranged so as to afford progressive instruction from the time the recruit arrives in camp until the reinforcements reach the advanced training-depots in England.

The training of the home Forces has been arranged in such a manner as to clash as little as possible with public requirements. To permit of this, power has been granted to local military authorities to grant leave without reference to general headquarters, and, in the case of men employed in essential industries, to grant exemption from their annual training in the Territorial Force.