

Amounts advanced by the Department during the following financial years :—

Year ending 31st March.	To Settlers.	To Workers.	To Local Authorities.	Total Advances.
	£	£	£	£
1914 .. ..	978,395	272,860	324,150	1,575,405
1915 .. ..	1,136,475	313,025	336,295	1,785,795
1916 .. ..	814,555	275,680	285,410	1,375,645
1917 .. ..	589,975	214,965	152,310	957,250
1918 .. ..	367,160	125,855	128,150	621,165
1919 .. ..	350,140	87,590	130,575	568,305
1920 .. ..	808,180	225,055	311,880	1,345,115
1921 .. ..	1,060,260	660,790	444,825	2,165,875
1922 .. ..	805,975	407,580	708,410	1,921,965
1923 .. ..	945,900	724,830	711,375	2,382,105
1924 .. ..	3,904,150	1,863,331	438,205	6,205,686
1925 .. ..	3,516,130	1,383,945	338,805	5,238,880
Totals ..	15,277,295	6,555,506	4,310,390	26,143,191

The business of this Office is extending rapidly, and its capital requirements are large. I am desirous of encouraging the settler to use the table form of mortgage operating in this Department, and would be glad to see other lending institutions adopt the system. In order to facilitate general lending to settlers it is proposed to repeal the present mortgage duty of 5s. per cent.

Fresh capital for State Advances purposes should if possible be raised in New Zealand. This would probably mean slightly dearer money than the Government has hitherto been paying for these loans. In order that the Department may adjust its lending rates to cover costs, empowering legislation will be submitted to honourable members in due course.

#### HOUSING.

The Government is continuing the policy of rendering all possible assistance to overcome the shortage of houses. It should not, however, be expected of the State alone to provide the means of meeting the difficulty, and the housing problem will not be solved until private capital is more extensively employed than has been the case in the immediate past. There is at present some sign of increased activity in the desired direction, and I trust that with the united efforts of all sections of the community the shortage will be speedily overcome. Housing.

The following table shows the extent of the assistance towards the erection and purchase of houses rendered by the State during the last six financial years :—

	Number of Houses.	Amount. £
State Advances* .. ..	17,056	9,940,317
Discharged soldiers (urban areas) ..	11,456	8,345,311
(farm properties) ..	4,063	1,186,000
Railway Department (State employees)	543	465,655
Public Works Department (State employees) .. ..	247	227,640
	<u>33,365</u>	<u>£20,164,923</u>

\* Excluding amounts advanced to release mortgages on house property.

In addition during this period the State Advances Department granted loans for housing purposes to local authorities totalling £634,145, but the number of houses erected is not known.