

"Poles for electric light and telephone services are, wherever practicable, removed from the streets and placed along the back boundaries of the sections.

"*Fences and Gardens.*—Wire-netting fences with reinforced concrete posts are, as a general rule, being adopted for the back portions of the sections. In the front of the houses, however, low kerbs of brick or concrete are in most cases provided. These kerbs, however, are replaced by stock-proof fences wherever the houses are situated on stock routes.

"A policy for the provision of hedges and a limited amount of landscape gardening is being worked out. A landscape gardener to take charge of this section of the work is being appointed.

"*Shortage of Labour and Materials.*—The progress of most of the housing contracts throughout the country has been retarded on account of the shortage of skilled labour and, to a secondary degree, the shortage of materials. The average number of artisans employed by the contractors per house under construction has only been 1·8. There is little doubt that twice the number of artisans could be employed were they available.

"Shortage of materials has also caused some concern. The principal difficulty has been with tiles. The Government's policy is to use New Zealand materials wherever possible, and following upon this policy all houses, except those with very flat roofs, were specified to be roofed in tiles, either terracotta or concrete. The New Zealand tile industry was unable to expand its production fast enough to keep up with the Department's requirements, with the result that steps had to be taken to import a number of tiles from Australia. To ease the situation further a fair proportion of the houses for which tenders have recently been called are specified to be roofed with corrugated iron.

"The inadequacy of supplies of dry timber and of fibrous plaster of satisfactory quality has also given the Department some concern.

"*Expenditure.*—Up to the 31st March, 1938, the total net payments on the purchase of land, provision of services, erection of joinery factories, erection of houses, and all administration charges amounted to £1,523,967. Liabilities and commitments as at this date amounted to £1,666,115."

2. *Loans to Local Authorities.*—As indicated in the report for last year, the Government invited the co-operation of local authorities, and loans were offered for housing purposes at 3 per cent., the terms of repayment being such that the cost to the purchasers or tenants would be within the means of the average wage-earner. It was made a condition of such advances that the type of house and the materials to be used should be approved by the Housing Construction Branch, and there were certain other restrictions placed on the disposal of the houses which were to be erected with the loan-moneys. These restrictions, however, would not in any way hamper the local authorities in their administration of their housing schemes, but were merely introduced to prevent the purchasers or occupiers making a profit out of the favourable terms of borrowing which were possible only through the assistance granted by the Government.

The total number and amount of loans granted to local authorities during the past financial year is as under:—

Number of loans granted	..	..	..	..	..	26
Number of houses to be erected	..	..	..	..	..	192
Total amount of loans granted	..	..	..	..	..	£208,820

3. *Loans to Co-operative Dairy Factories.*—Seven loans under this heading of an aggregate amount of £7,000 have been granted. The terms and conditions fixed for these loans are similar to those adopted for local-body housing loans.

4. *Balance-sheet and Revenue Accounts.*—The accounts for the past year show the results of the various branches of the Housing Section.

The houses erected prior to 31st March, 1937, are in a different category from the new houses, and it is proposed to have such of these older houses as have been abandoned by the purchasers valued for the purpose of recording in the accounts the