making a grand total of £3,787,266, besides a large sum for insurance premiums, fees, &c., without any loss having been incurred, at the same time the average amounts collected being only about £9 10s. of principal and interest combined.

Compared with former years the increase in the volume of business transacted has during the last twelve months been very marked, and the staff are to be commended for the efficient and expeditious manner in which they have carried through the extra pressure of work involved.

P. Heyes,
Superintendent.

Government Advances to Settlers Office, Wellington, 28th March, 1908.

ADVANCES TO WORKERS BRANCH.

First Annual Report and Balance-sheet.

The Government Advances to Workers Act was passed on the 29th October, 1906. Applications for loans were first considered by the Board at its meeting on the 8th January, 1907, and up to the 31st March applications for loans to the number of 1,310, and amounting to £351,610, were received. Up to the 31st March, 1908, the Board had authorised 1,179 advances, amounting to £296,305. Applicants to the number of forty-five declined the grants offered them, amounting to £10,545, so that the net advances authorised to the 31st March, 1908, numbered 1,134, and amounted to £285,760.

Classified according to provincial districts, the advances authorised are as under:—

Provincial District.	Number of Applications.	Amount of Advances authorised. £
Auckland	289	71,270
Taranaki	36	8,570
Hawke's Bay	69	17,435
Wellington	268	69,280
Marlborough	39	8,900
Nelson	22	4,785
Westland	71	14,580
Canterbury	258	71,160
Otago and Southland	127	30,325
Total	1,179	£296,305

The advances outstanding are as follows:—

	Number.	Amount. £	s.	d.
On freeholds	729	198,285	15	8
On leaseholds	28	4,870	0	0
Total	757	£203,155	15	8

The average freehold advance is £272, and the average leasehold advance is £174.

The advances granted during the year ended 31st March, 1908, are as follows:—

	Number.	Amount. £	s.	d.
On freeholds	750	198,848	2	2
On leaseholds	30	5,130	0	0
Total	780	£203,978	2	2

For the year the average freehold advance is £265, and the average leasehold advance is £171.

The total sum raised by the Government in debentures for investment on mortgage is £205,000.

Seven hundred and fifty-seven mortgagors are now indebted to the Department, to the extent of £203,155 15s. 8d., in respect of principal moneys.

As provided by the Act, all mortgages are prepared in the office free of cost to mortgagors, and the work has been done in a most satisfactory manner and without difficulty.

The Profit and Loss Account shows a debit balance of £661 18s. 9d., an increase on the previous year of £228 7s. 7d. The explanation of this increase is due to the fact that of the money advanced on mortgage during the year 67½ per cent. was issued during the last six months, with the result that the source from which the Department looks for revenue was considerably curtailed, whilst the interest payable on the loan-money received for investment had to be provided for. At the end of the financial year the Department will, in addition to the interest received and accrued from investments made during the ensuing twelve months, have received a full year's interest on the sum (£203,155 15s. 8d.) advanced as at the 31st March, 1908, and at the same time the management and office expenses will not be increased. The time will then have arrived when the income will be sufficient to cover the expenditure and to yield a profit. The debit balance may, therefore, be considered to be in the nature of preliminary expenses necessarily incidental to the initiation of what is practically a new business.

P. Heyes,
Superintendent.

Government Advances to Settlers Office, Wellington, 28th March, 1908.