advances were first made up to the 31st March, 1910, amounted to the sum of £1,663,784, in addition to the repayments of principal, £3,676,026, making a grand total of £5,339,810.

Applications are now being carefully examined when first received before a valuation is ordered. If the grant of a loan is considered doubtful, the facts are submitted to the Board for preliminary consideration. When the property offered is not considered satisfactory for a loan, the application is declined and the valuation fee returned. In this way delays are avoided, and loss of the fee—which to a poor man is considerable—prevented.

The term for repayment of small loans is too long, and should be reduced. The improvements on many small holdings are not of a lasting nature, and deteriorate rapidly. Thirty-six and one-half years is an unreasonable time to have small sums owing. The shorter term would mean a difference of a few pence per week only in more rapid repayments of principal—the interest, of course, being the same.

An inspector of securities is needed on the office staff. Many of the office mortgages are on properties in remote places. The experience of such an officer would be very useful in checking valuers' reports when further advances are applied for, and where the local valuer is too sanguine as to the prospects of his particular district.

The phenomenal good fortune of the Department up to the present cannot be expected to continue indefinitely, and provision should be made for writing down any doubtful securities, and debiting them against the ample Reserve Fund provided to meet losses. This cannot be done unless a fairly accurate estimate of the value of the Department's securities is periodically obtained.

The volume of business transacted during the year has been very large, and a word of praise is due to the staff for the care and attention given by them to their work.

J. W. Poynton, Superintendent.

State-guaranteed Advances Office, Wellington, 19th July, 1910.

ADVANCES TO WORKERS BRANCH.

Third 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.

For the year ended 31st March, 1910, the applications received numbered 2,028, amounting to £550,651, as against 1,784 applications, amounting to £472,989, for the previous year—an increase of 244 applications; in amount, £77,662. The advances actually granted during the year numbered 1,359, for £362,352 11s. 10d., which exceeds those of the previous year by 243, for £64,168 5s. 10d. From the 8th January, 1907, up to the 31st March the Board had authorized 4,253 advances, amounting to £1,074,225. Applicants to the number of 148 declined the grants offered them, amounting to £41,900, so that the net advances authorized to the 31st March, 1910, numbered 4,105, and amounted to £1,032,325.

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

Provincial District.	Number of Applications.	Amount of Advances authorized. £
Auckland	1,110	256,275
Taranaki	114	27,045
Hawke's Bay	234	59,755
Wellington	1,026	275,875
Marlborough	136	34,460
Nelson	111	24,995
Westland	135	28,265
Canterbury	900	246,780
Otago	338	87,285
Southland	149	33,490
Total	4,253	£1,074,225

Classified according to provincial districts, the advances authorized during the year ended 31st March, 1910, are,—

Provincial District.	Number of Applications.	Amount of Advances authorized. £
Auckland	500	111,310
Taranaki	47	11,445
Hawke's Bay	111	28,140
Wellington	477	130,720
Marlborough	56	14,935
Nelson	36	8,315
Westland	39	7,980
Canterbury	378	104,045
Otago	142	37,020
Southland	68	16,515
Total	1,854	£470,425