

lines possible will depend in great measure upon the support and sympathy of the people, who must provide, in addition to the necessary funds, the spirit that will give it life.

THE NEW ZEALAND DREADNOUGHT.

In connection with the New Zealand Dreadnought battleship, I have the pleasure to inform honourable members that it has been duly launched, and it is anticipated that it will be in commission and ready for the Pacific by 1912.

VOLUNTEERS.

Last year you will no doubt remember my mentioning the excellent work the Volunteers have done in connection with the defences of this Dominion, and I would like to take this opportunity of reiterating how thankful I am to all officers, non-commissioned officers, and men for their valuable services in the past. I am very glad that some of them will be able to continue in the good work, and lend their assistance towards making the new scheme a success.

Until that day comes when nations will be persuaded to abandon their armaments and forego the right of moulding their own destinies at the expense of others, we must be prepared to make sacrifices in order to do our share towards helping to keep intact our great and glorious Empire, and it would be well to always remember the motto, "United we stand, divided we fall."

I intend to ask Parliament to pass a resolution expressive of its appreciation to those who have served in the past.

STATE-GUARANTEED ADVANCES DEPARTMENT.

ADVANCES TO SETTLERS.

The amount granted to settlers during the year was £1,204,310, an increase over the previous year of £109,190. The number of applications received proves the large demand still existing for cheap money.

ADVANCES TO WORKERS.

This branch shows a record in business, the amount granted to workers for building or acquiring homes during the year being £407,760. Complete plans and specification have now been printed. They are deposited for inspection at the Valuation Office in Auckland, Christchurch, and Dunedin, and at the principal post-offices in the Dominion. Copies are supplied to borrowers free of charge. They comprise eighteen different types of building of from two to seven rooms, costing from £120 to £750. They have been planned with a view to the maximum of convenience at a reasonable cost, and when availed of will do much to increase the comfort of workers and their families.

WORKERS' DWELLINGS ACT.

I am glad to say that the system by which a worker can obtain a home for himself by paying a deposit of £10 is being largely availed of. Since the legislation passed last session, 1,800 applications under this beneficent scheme have been received. I think I may say that the three methods—of building workers' homes direct by the Government, of providing money to secure homes themselves, and of securing a home by depositing £10 as an initial payment—has already done much and will do more in the future to solve the rent question.

ADVANCES TO LOCAL AUTHORITIES.

As anticipated, a large amount of business has been done in this branch. The total amount applied for during the year was £3,701,312. Of this, £1,857,394 was provisionally approved—that is, granted subject to sufficiency of security and validity of procedure. Applications for £1,843,918 were declined. Those for loans for recreation-grounds, installations of electric light, tramways, town halls, libraries, and municipal theatres were refused, as it was thought desirable to favour loans for roads, bridges, water-supply, drainage, and other more necessary works in preference. Loans for repayment of moneys already owing by local bodies were also refused. Apart from what is owing to the Government under Local Bodies' Loans Acts there is a sum of over £13,000,000 owing by local authorities in New Zealand. It is obvious that if the Advances Department were to begin advancing its funds at 3½ per cent. to repay such debts, the average rate of interest on which is about £4 12s. per cent., there would be little left for carrying out urgently needed new works. At present none can be spared for repayment of old loans, but it is hoped