

The average freehold advance is £302, and the average leasehold advance £180.

The advances granted during the year ended 31st March, 1912, on freehold and leasehold are as follows:—

					Number.	Amount.		
						£	s.	d.
On freeholds]	..	..	..	..	1,555	528,315	0	0
On leaseholds	..	..	..	..	69	15,525	0	0
Total	..	..	..	..	1,624	£543,840	0	0

For the year the average freehold advance was £340, and the average leasehold advance £225.

The total sum, including temporary advances from the Settlers Branch, raised by the Government for investment on mortgage to workers is £1,645,933 12s. 7d.

Five thousand five hundred and ninety-nine mortgagors are now indebted to the Department to the extent of £1,643,428 2s. 6d. in respect of principal moneys, an increase during the year of 1,317 mortgagors, amounting to £464,987 10s. 9d.

The gross profits for the year ended 31st March, 1912, were £12,396 8s. 6d., and the cost of management and expenses of the Department £2,093 12s. 1d., being 0.12 per cent., or 2s. 6d. per £100 on the capital employed. (The cost of the previous year was 0.14 per cent., or 2s. 10d. per £100.) The net profits amounted to £10,300 1s. 2d., of which the sum of £8,000 has been applied in writing down loan-charges.

A sum of £13,159 6s. 8d. has been added to the sinking fund established under section 30 of the State-guaranteed Advances Act, 1909, which, with £768 15s. 7d. interest earned and added to the fund held by the Public Trustee, brings the total amount standing to the credit of that account to £30,525 9s. 4d.

Loss on realization debited for the year amounts to £3 14s. 9d.

The plans and specifications of various types of buildings are available to borrowers. They include eighteen different kinds of dwellings of from two to seven rooms, costing from £120 to £750 to build. They can be inspected at the chief and principal post-offices throughout the Dominion, and are supplied to borrowers free of charge.

J. W. POYNTON, Superintendent.

State-guaranteed Advances Office, Wellington, 11th June, 1912.

#### ADVANCES TO LOCAL AUTHORITIES BRANCH.

The number of applications dealt with during the year totalled 257. Of these 23 were declined, and 234 were provisionally approved—that is, agreed to be granted subject to sufficiency and validity of the security offered.

The applications from the different provincial districts were,—

Provincial District.	Number of Applications.	Amount of Advances authorized. £
Auckland .. .. .	91	559,255
Taranaki .. .. .	41	88,095
Hawke's Bay .. .. .	26	260,539
Wellington .. .. .	61	102,977
Marlborough .. .. .	6	7,850
Westland .. .. .	3	15,000
Canterbury .. .. .	21	98,167
Otago .. .. .	7	20,250
Southland .. .. .	1	32,000
Total .. .. .	257	£1,184,133

The number of applications finally approved was 227, and the amount of the loans finally approved £1,047,484.

To the 31st March, 1912, the total sum paid over to local bodies amounted to £1,195,680.

J. W. POYNTON, Superintendent.

State-guaranteed Advances Office, Wellington, 11th June, 1912.