1942.
NEW ZEALAND.

STATE ADVANCES CORPORATION OF NEW ZEALAND.

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 1942.

Laid before both Houses of the General Assembly of New Zealand pursuant to Subsection (2) of Section 43 of the State Advances Corporation Act, 1934–35, and Subsection (2) of Section 42 of the State Advances Corporation Act, 1936.

The Hon. the MINISTER OF FINANCE, WELLINGTON.

1. WE have pleasure in submitting the Balance-sheet and Revenue Accounts for the year ended 31st March, 1942, together with a report on the Board's administration for the period, as required by subsection (1) of section 43 of the State Advances Corporation Act, 1934–35.

PART I.—GENERAL.

2. As at the 31st March, 1942, the Corporation had under administration the following loans:—

Farms: 19,936, £23,352,298; residential: 42,033, £24,792,212; local bodies: 2,048, £5,778,827.

The greater part of the advances made by the Corporation are repayable by instalments, and it is pleasing to note that the majority of the borrowers have been able to meet their payments regularly. The actual amount in arrear at the close of the year was less than that existing at the close of the previous financial year. Another important and growing branch of the Corporation's work is the management of State rental houses which are taken over from the Department of Housing Construction on completion by the contractors. At the 31st March last 13,482 new houses were under administration located in some 112 towns. Rental payments have been well maintained.

3. *New Business.*—New business accepted by the Corporation during the period has, in accordance with Government policy, been restricted mainly to the building of new houses or the carrying-out of improvements either to residential or rural property. The following is a summary of the new loans granted for the year ended 31st March, 1942 Urban: Number, 1,076; amount, £946,735. Rural: Number, 251; amount, £434,743.

4. *Interest Rate and Terms of Lending.*—The Corporation has maintained the basis of lending that has been in operation for a number of years—viz., the rate of interest has been $4\frac{1}{8}$ per cent., and loans have been granted on the long-term amortization system.