

With a view to helping ex-servicemen in the purchase of either farms or dwellings, the Corporation has established at each of its branch offices a Property Register for the purpose of recording details of suitable properties which the owners are desirous of selling to returned men, and it is anticipated that the advantages of this service will be appreciated by both vendors and purchasers.

The following is a summary of the loans approved by the Corporation up to the 31st March, 1943:—

|                |    |    |    |    | Number. | Amount.<br>£ |
|----------------|----|----|----|----|---------|--------------|
| Farms          | .. | .. | .. | .. | 53      | 128,060      |
| Houses         | .. | .. | .. | .. | 192     | 185,900      |
| Businesses     | .. | .. | .. | .. | 42      | 13,610       |
| Furniture      | .. | .. | .. | .. | 577     | 48,794       |
| Tools of trade | .. | .. | .. | .. | 36      | 824          |
| Total          | .. | .. | .. | .. | 900     | £377,188     |

Instalments payable in reduction of these loans have in most cases been met promptly, but at the close of the period seventy-nine borrowers were in arrear in classes (c), (d), and (e) above, the total amount overdue being £550.

10. *Agencies under Section 40 of the State Advances Corporation Act, 1936.*—In terms of the above section the Corporation is undertaking administration work on behalf of other Departments, and the following is a summary of the business under control at the close of the year:—

| Agency.                                       |       | Number of<br>Accounts. | Amount<br>invested.<br>£ |
|-----------------------------------------------|-------|------------------------|--------------------------|
| Agriculture (E.P.) Act loans                  | .. .. | 11                     | 34,551                   |
| Financing increased production                | .. .. | 496                    | 121,371                  |
| P.W.D. huts supplied to farmers and factories | .. .. | 1,145                  | 253,877                  |

11. *Contingent Liability to the Crown: Final Settlement.*—When the Corporation was established in 1935 and the investments of the State Advances Department and the discharged soldiers' settlement loans, previously managed by the Lands Department, were transferred to the Corporation, payment for these assets was arranged partly by the issue of stock on behalf of the Corporation, the unpaid balance being left on open account as a contingent liability to the Crown. As soon as practicable after the appointment of a suitable field staff, steps were taken to value the whole of the securities for the loans transferred. Having regard to the fact that there were altogether some sixty-nine thousand accounts involved, it was anticipated that this review would take a considerable period, but, notwithstanding the serious depletion of our field staff by war conditions, it is pleasing to report that the review of all the securities was completed prior to the 31st March, 1943, and this enabled the Board of Management to negotiate with the Treasury for a final settlement of the contingent liability. A survey of the assessments made by the valuers disclosed that, although a large majority of the Corporation's mortgage investments were in a reasonably sound position, it was inevitable that losses would be sustained in respect of some of the older investments where depreciation or deterioration had taken place and the mortgagors would apparently be unable to meet their liabilities in full. Included in these investments are some three thousand residential securities which had been abandoned by the mortgagors and which are now administered by the Corporation as mortgagee in possession, and in numbers of these cases the loan liability is considerably above the value of the security. After a full review of the facts Minister of Finance agreed that a further £2,000,000 should be accepted in *final* settlement of the Corporation's contingent liability to the Crown, and stock has accordingly been issued for that amount, to take effect from the 1st April, 1942.

12. *Balance-sheet and Revenue Accounts.*—*Balance-sheet:* A review of the balance-sheet as at the 31st March, 1943, discloses several changes of a major nature. Firstly it is noted that the amount of stock issued by the Corporation has increased to £47,302,450, this being approximately £2,000,000 greater than it was at the close of the previous year; and secondly, whereas in the 1942 balance-sheet there appeared an item of £4,430,178 Contingent Liability to the Crown, it is not repeated in the current year's statement. The explanation of these two items is set out in the preceding paragraph.