1944
NEW ZEALAND

STATE ADVANCES CORPORATION OF NEW ZEALAND

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 1944

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.

WE have pleasure in submitting the Balance-sheet and Revenue Accounts for the year ended 31st March, 1944, 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

1. The important phases of the Corporation's business activities, including the financial results of the year's trading, are dealt with under separate headings in the body of this report, but in order to give a general description of the business at present under administration the following summary is submitted:—

	Number.	Amount. £
(a) Loans on mortgage—		
(i) Rural securities	18,241	21,745,188
(ii) Urban securities	37,284	22,110,887
(b) Government and local-body investments	2,013	10,756,412

(c) State rental properties: 16,390 tenancies, representing a capital value of £20,571,786. (NOTE.—These properties are assets of the Housing Account, which is the subject of a separate statement in Part II of this report.)

(d) Governmental agencies for Treasury and other Departments, representing 1,480 accounts for a total sum of £407,581.

(e) Administration work in connection with the Soldiers' Financial Assistance grants for the past year, numbering 3,427 and representing commitments totalling £197,779. In addition, some 8,639 cases of previous grants were reviewed. Total authorizations to 31st March, 1944, were £740,157.

(f) Rehabilitation loans—Administration of loans granted to ex-servicemen of the present war by the Rehabilitation Loans Committee: Loans granted to date—number, 3,647; amount, £1,972,740.

The basis of lending adopted by the Corporation is almost exclusively on the amortization system, which provides for the repayment of loans over various periods, and by this method on the one hand borrowers gradually increase their equity in their properties, and on the other hand the capital funds thus repaid are made available for the purpose of making advances to new applicants. The favourable results obtained by the Corporation under this system during recent years indicate a preference by the public for this type of borrowing, and the stable conditions that have existed in regard to the general income circumstances of the members of the community are exemplified by the comparatively small proportion of borrowers that has failed to meet mortgage instalments in full. This favourable income position has also given satisfactory results under the Rental House Scheme, where we have pleasure in recording that the rental receipts have been on a very satisfactory plane.

2. *New Business.*—The Board has continued the policy adopted in the earlier years of the war of giving preference to loan applications required for the purchase of farms, purchase or the erection of houses, and special facilities have been provided for those applicants who require assistance in the erecting of homes for themselves. One of the attractive features of the Special House