Supplementary interest-free loans in pursuance of Government policy are granted where necessary, having regard to the cost of the proposition in relation to normal rental and resale value. The total amount of the supplementary loans thus granted up to 31st March, 1947, was £1,269,067. This sum is included in the table shown above. No interest or principal repayments are required in respect of these loans whilst the property is used and occupied by the ex-serviceman borrower.

The following classification of business loans granted to ex-servicemen gives an indication of the wide sphere of the operations of the rehabilitation scheme :—

| | Number. | Total. £ |
|---|---|---|
| Butchery | 107 | 84,220 |
| Grocery and general store | 354 | 272,593 |
| Bakery, dairy, refreshment-rooms | 244 | 152,526 |
| Milk-round | 103 | 65,301 |
| Building trades | 333 | 156,577 |
| Mechanical repairs | 227 | 128,252 |
| Manufacturing business | 154 | 101,540 |
| Stationery and fancy goods | 71 | 49,156 |
| Professional equipment | 468 | 208,216 |
| Radio dealer and electrician | 104 | 45,291 |
| Hotel and guest-house | 26 | 22,575 |
| Taxi, service car, and transport | 603 | 305,942 |
| Carrier and mail contractor | 794 | 516,493 |
| Hairdresser and tobacconist | 68 | 29,838 |
| Bootmaker | 115 | 35,090 |
| Painter and paperhanger | 107 | 29,712 |
| Launch and fishing gear | 68 | 42,406 |
| Agricultural contractor | 285 | 209,685 |
| Chemist | 17 | 17,830 |
| Miscellaneous | 348 | 180,598 |
| Total | 4,596 | £2,653,841 |

All these loans are repayable on the instalment basis, and the term over which repayment may be spread is decided by the Loans Committee or the appropriate District Executive Committee after considering the type of asset to be purchased with the loan-money and the income resources that will be available to the borrower. It is pleasing to report that the payments due in respect of both farm and house loans have been well maintained and, on the average, there has been quite satisfactory progress shown in business loans. In the latter category the failures, of which there have been comparatively few, have mostly arisen from the inability of the ex-serviceman to apply himself consistently to the management of his business. Temporary set-backs caused by shortage of supplies have arisen in a number of cases, but these have been rectified wherever possible by the intervention of the Corporation and the Rehabilitation authorities in obtaining increased quotas. In cases where market conditions have precluded any such adjustment, loan repayments have been suspended or suitably amended. The majority of borrowers in the business-loan section have met their engagements and many have accelerated the repayments agreed upon when the loan was authorized. A recent return obtained from our branch offices discloses that of the total of 4,596 business loans approved since the inception of the scheme, over 800 have been fully repaid. Some of these borrowers have for various reasons sold their business and taken up other forms of employment, but it is obvious that the majority of these men have made good use of the financial assistance granted to them.

The appended statement of arrears of instalments in respect of the various classes of rehabilitation loans as at the 31st March, 1947, will be of interest. The unfavourable feature of this return is the unfortunately large number and amount of arrears in the furniture and tools-of-trade sections. In view of the very favourable terms on which these loans are granted—viz., free of interest and easy instalments as agreed to by the borrower—it is disappointing to find that there is still a fairly large percentage of borrowers in these classes who are not giving a reasonable degree of co-operation. There have unfortunately been a few cases where, owing to continued default without any sufficient reason, it has been necessary to take legal action to enforce payment, but this action is taken only after thorough investigation, and then only with the concurrence of the local Rehabilitation Committee.