It will be seen that the main falling off is in the urban and farm loan applications. In the report covering the 1947 operations it was suggested that the peak of rehabilitation lending had then been reached, and this is borne out by the figures now available. The demand for loan finance is nevertheless still heavy, but indications are that, with the passing of the years since general demobilization, the downward trend of applications from ex-servicemen will continue until a basic level is reached. The figures quoted include applications from civilians and from ex-servicemen not immediately eligible for rehabilitation assistance, and cover, therefore, the whole of the activities of the Corporation in the categories as listed.

The Board has continued its policy of conserving capital funds to meet the loan requirements of ex-servicemen, and consequently there has been no extension of the existing lending facilities to civilians, loans to whom are, in the main, restricted to those requiring special loans to erect dwellings, and to those whose requirements can be met within the normal lending margins.

The operations of section 51 of the Servicemen's Settlement and Land Sales Act, 1943, has had the intended effect of reserving all economic farm units for ex-servicemen, and consequently applications from civilians for finance to purchase farms have been almost negligible.

Capital repayments from existing borrowers have provided a substantial reserve for rehabilitation loan purposes, but in addition it has been necessary during the year to obtain from Treasury, in accordance with arrangements made with the Government, additional capital moneys totalling £6,700,000. The Board anticipates that approximately £7,000,000 will be similarly required for the ensuing year.

With the exception of a prolonged dry summer in the lower portion of the North Island and the northern part of the South Island, the year generally has been a good one from a climatic point of view, and farming returns so far available indicate that our rural mortgagors have had a successful season. Many have far exceeded budgetary receipts, and with stability of prices for farm products the successful rehabilitation of the great majority should be assured. Technical assistance and advice from the field staff of the Corporation has been readily availed of and has in no small measure helped to overcome the inevitable difficulties that arise from time to time, especially during the initial establishment period.

With 61,687 loan accounts representing investments of Corporation funds and 54,155 rehabilitation, housing, rental, and other agency loan accounts under administration at 31st March, 1948, the year has been a very busy one, and when it is realized that no fewer than 1,250,000 receipts were issued during the twelve months, covering an inflow of cash totalling nearly £10,250,000, it will be apparent that the work involved could not be handled expeditiously without an efficient and competent staff using modern business methods. It is worth recording, too, that no less than ninety-one thousand cheques were issued during the year, involving an outflow of cash of approximately £20,750,000. These figures indicate the sheer volume of the transactions with which the staff have to deal, and it is right to say in this regard that the bulk of the transactions cannot be classified in the "routine" class. The accounts are on a fully mechanized basis, and the Board has, in accordance with its traditional policy, continued to keep abreast of developments in this field. It will, as occasion requires, introduce mechanical aids best suited to its needs and calculated to assist in extending an even more expeditious service to the public.