

PART I--GENERAL

This is the fourteenth annual report which has been submitted by the Corporation, and as it is the final one to appear over the signature of the present Chairman, who retires on the expiry of his term of office on the 30th June, 1949, it is appropriate that some comparison should be made to show the growth and development of the Corporation's activities since he first took office as its Chairman of Directors in 1936. Comparative statistics are therefore incorporated wherever appropriate in this report.

The figures do not tell the full story, but they do serve in some measure to illustrate the change in the nature, type, and volume of the Corporation's business over the intervening years. This change has been brought about in the main by the impact of the war and by the subsequent intensive efforts, as agent for the Rehabilitation Board, to rehabilitate many thousands of ex-servicemen, nearly all of whom required financial assistance in some form or other. Great progress has been made, but it will be a few years yet before it can be said that the end of rehabilitation is in sight.

The year just ended has been a very busy one, and although there has again been a slight drop in the number of loan applications dealt with, the administrative work in connection with the loans granted in recent years has continued to increase in volume and complexity. This is inevitable when regard is had to the fact that the majority of these advances were on the basis of 100 per cent. of value of security. Many of the borrowers also had only limited experience in the line of business they had elected to follow, and close supervision has been necessary in the interests not only of the servicemen themselves, but also of the Corporation. Further comment on this phase of the Corporation's work is made later in this report.

The following table shows the number of loan applications received, firstly, in the three years following the establishment of the Corporation, and, secondly, in the three years ended 31st March, 1949. As in past reports, these figures have been summarized under classified headings :-

Year.	Urban.	Rural.	Tools of Trade.	Furniture.	Business.	Miscellaneous.	Total.
1936*	2,098	2,033	..	..	..	..	4,131
1937	5,049	2,681	..	..	..	..	7,730
1938	3,493	1,364	..	..	..	..	4,857
1947	8,678	2,485	210	8,602	2,636	65	22,676
1948	7,150	1,696	283	8,411	2,392	26	19,958
1949	6,848	1,681	168	8,243	2,489	27	19,456

*For seven months only.

From the figures quoted the enormous increase in new loan business in the post-war years over the immediate pre-war period is readily apparent, although it is reasonable to assume that under normal conditions there would inevitably have been a definite increase since the pre-war figures cover a period when the Dominion was recovering from the depression and confidence in the future for the country's primary products in the overseas markets had not been fully restored.

It is, nevertheless, interesting to note that the increase in 1949 as compared with 1937 is represented entirely in the residential and miscellaneous aspects of rehabilitation, there being a decrease of 1,000 applications for loans on rural securities for the respective years. This would seem to indicate that sufficient self-contained economic farms are not available to satisfy the large number of "A" Grade ex-servicemen still awaiting