

settlement, and the solution will have to be found in further land development, including marginal areas, and a closer study of methods likely to assist in bringing present uneconomic areas to a stage where they can produce a reasonable living without having to carry the burden of over-capitalization.

Reference to the 1949 figures shows that there has been little variation from those of the preceding year, the total number of applications showing a decrease of only 502. The figures include applications from civilians and ex-servicemen alike, and they cover therefore, the full range of activities for the year in the particular categories.

In recent years the Board has endeavoured to conserve its funds as far as possible to ensure priority for the needs of ex-servicemen, but during the year covered by this report it has been found possible to modify that policy slightly and to extend greater consideration to civilian requirements without in any way prejudicing the interests of ex-servicemen, whose claims remain paramount. Rehabilitation demands are still heavy, and until the calls on available funds for this purpose are considerably lessened it will not be possible to extend the field of operations to cover all of the needs of civilian applicants. At present loans to this class of applicant are available within the usual lending limits to meet the needs of those desirous of acquiring homes by purchase or erection, or of purchasing, improving, and stocking farms. In addition, the Corporation will consider applications from civilians for the purpose of assisting in the refinancing of existing mortgages, the holders of which, for various reasons, now require repayment. In the field of refinancing, however, the Corporation is mainly concerned in providing assistance in cases where an applicant is faced with the problem of redeeming a mortgage which has matured or is about to mature and renewal with the existing holder is difficult to arrange. The operations of the Servicemen's Settlement and Land Sales Act, 1943, naturally tends to prevent civilians from acquiring title to economic farm units, and consequently applications under this heading are few in number.

As in the past, repayments from existing borrowers have provided some proportion of the funds needed to meet loan requirements, but, in addition, sums totalling £6,200,000 have been obtained from Treasury during the year. It is estimated that an additional amount of up to £7,000,000 will be required in this respect for the ensuing year.

Climatic conditions during the year have been uniformly good throughout the Dominion, although Canterbury and North Otago experienced dry conditions during the summer and early autumn. This had little material effect on crop yields, but prices for store stock were generally lower than those realized in other districts. On the whole, however, the season has been conducive of high production, and the output of primary produce for export and for local requirements has been maintained at a high level. Prices have remained on a very remunerative basis, although returns for wool did for a short period towards the end of the season show a downward trend, particularly for the finer grades.

The Corporation has encouraged its borrowers to build up asset reserves, by reducing their mortgage liabilities, and to conserve their resources, by developing from revenue whilst the prices for stock and other produce remain high, and it is pleasing to the Board to note the number of its clients who are adopting this course.

Although, as indicated earlier, there has been a slight decrease in the number of applications received, there has actually been an increase in the volume of transactions as evidenced by the numbers of cheques and receipts issued. Cheques issued show an increase to 98,000 (91,000), involving payments totalling £21,400,000; and the number of receipts reached the record figure of 1,460,000 (1,250,000). The comparative figures for 1948 are shown in brackets. These figures alone give some indication of the pressure under which the staff has worked during the year, but they do not tell the full story because they necessarily take no account of most phases of administrative action