

The favourable conditions existing in the commercial world during the last few years has enabled the servicemen recommencing business, or taking up a line of business in which they have the necessary experience, to become settled within a comparatively short time. The loan accounts of most of these servicemen are showing a steady reduction, and we are confident that the large majority of those already established in business will make good. The payment of instalments on loans granted under the rehabilitation scheme has, on the whole, been on a satisfactory basis, but there are, unfortunately, some borrowers who have apparently failed to appreciate that they, on their side, have a responsibility towards the rest of the community, which, of course, includes their former comrades-in-arms, and there has in a few cases been an inclination to delay the payment of instalments on loans without reasonable cause. In fixing the terms of repayment care is taken to ensure that the amount required monthly is reasonably within the income-capacity of the borrower, but should there be any change of circumstances which would justify a variation of the instalments or a temporary postponement this is readily agreed to.

ARREARS IN RESPECT OF REHABILITATION LOANS

The following tables are supplied in order to illustrate the general position in regard to rehabilitation loans:—

(1) *Arrears as at 31st March, 1946, on Farm and Dwelling Loans*

	Accounts.		Arrears.		Percentage in Arrears to Number of Accounts.
	Number.	Amount.	Number.	Amount.	
		£		£	
Farm	1,253	4,203,116	94	6,803	7·5
Residential	4,876	4,851,440	184	1,539	3·8
	6,129	9,054,556	278	8,342	4·5

(2) *Arrears as at 31st March, 1946, on other Rehabilitation Loan Accounts*

	Accounts.		Arrears.		Percentage in Arrears to Number of Accounts.
	Number.	Amount.	Number.	Amount.	
		£		£	
Furniture	10,697	699,009	965	7,938	9·0
Tools of trade	587	9,423	130	1,032	22·1
Business	1,929	860,805	210	10,166	10·9
	13,213	1,569,237	1,305	19,136	9·9

It is not always possible to draw accurate conclusions from percentage tables of accounts in arrear, and to avoid a misunderstanding it is necessary to make some general observations before coming to any specific conclusions.

The first comment that should be made is that the growth of rehabilitation lending has been particularly rapid and the Corporation has had to take control of a large number of loan accounts in a relatively short span of time. It can be said that when a man is assisted to buy or build a house he has in relation to that project other expenses which have to be met. He may be renting a house in the meantime and he may have to continue to pay rent while his new home is in course of erection. The new home has to be furnished. Stamp duty is payable on the purchase-price if he buys a home already erected, and there are many other expenses incidental to the