

When New Zealand became involved in World War II and offered assistance both in regard to the provision of troops and materials for the purpose of prosecuting the war it became necessary for the Corporation, as for other businesses in the country, to review its policy and to reorganize its staff so that the greatest possible contribution could be made towards this Dominion's share in the responsibility of the Empire. At the outbreak of war the number of the male staff employed by the Corporation was 493, and although further juniors were employed and temporary staff were engaged to replace men released for service in the Forces and other special duties it is significant to note that during the war period no less than 465 male employees were released for military duties, while other officers were seconded to various Departments for special duties in connection with the war. Members of the Corporation Directorate assumed additional responsibilities, and special reference is made to the fact that—

- (a) Mr. A. D. Park was appointed as Chairman of the Defence Forces Personnel Committee :
- (b) Mr. T. N. Smallwood was appointed as Chairman of the National War Savings Committee :
- (c) Mr. B. C. Ashwin was appointed as Chairman of the Stabilization Commission :
- (d) Mr. David Barnes accepted appointment on the Personnel Section of the R.N.Z.A.F., to which he was attached for a period of three years.

It was necessary as a war measure to modify the Board's lending policy with a view firstly to co-operating in the Government's financial stabilization measures, particularly (so far as the Corporation was concerned) in the direction of restricting the creation of credit for non-essential purposes, and, secondly, to conserving funds for the purpose of providing loan-moneys for the rehabilitation of servicemen when they were discharged from the Forces. Lending was accordingly restricted to those cases where applicants desired finance to erect or purchase houses for themselves, or to purchase or improve farm properties. The Corporation curtailed its operations in regard to transactions involving only the refinancing of existing mortgages. The amount of new business, as a result of this change of policy, was on a reduced scale during the war years.

The Corporation, however, assumed other responsibilities in relation to the war effort, and the staff, drastically reduced as it was by the demands of total war, has been fully and continuously employed to the limit of its capacity. It is pleasing to record that throughout this difficult period the Corporation's activities have embodied such important work as :—

#### SOLDIERS' FINANCIAL ASSISTANCE

The administration work of the Soldier's Financial Assistance Board, which was established in 1940 for the purpose of providing assistance for those servicemen whose financial position had been adversely affected by the change from civilian occupations to service with the Armed Forces. A full statement on the activities of this Board is published as an Addendum to this report. The Corporation was represented on the Board by one of the Joint Managing Directors as Chairman and by Mr. David Barnes.

As an indication of the volume of business handled by the Soldiers' Financial Assistance Board it is recorded that as from the appointment of the Board in 1940 up to the 31st March, 1946, there were 24,306 applications placed before the Board, and the grants approved amounted in the aggregate to £930,220.

#### REHABILITATION LOANS

As one of the first steps taken to provide loan assistance for servicemen returning to civil life and re-establishing themselves in civilian occupations the State Advances Corporation was appointed to deal with applications from servicemen under this scheme,