

It will be seen also that urban loan applications remain at a consistently high level and are 1,745 in excess of the 1937 figures. With the introduction of the present Government's new lending policy and the suspensory loan scheme, indications are that the number of applications under this heading will show an increase in 1950-51. Further comment on this phase of the matter is made later in this report.

Applications for loans on farm properties have been remarkably constant since 1948, notwithstanding the restricting influence of section 51 of the Servicemen's Settlement and Land Sales Act on sales of single-unit properties. It is true that there are still many ex-servicemen awaiting settlement on farm properties, but it is equally true that there are also many rural workers and farmers' sons who are not ex-servicemen who cannot for much longer be denied the opportunity of obtaining properties which may come on the market for sale.

The contention expressed in last year's report that sufficient self-contained economic farm units are not available to satisfy the demand is confirmed by the fact that applications received in respect of farm properties have in the last three years become stabilized at a fairly low level. Recourse will inevitably have to be had to an intensification of land-development, either by the State or by individual settlers, and a closer study of farming methods and technique particularly in relation to marginal units, will be required if all those seeking farm lands are to be satisfied.

The call on loan funds for rehabilitation purposes continues to be heavy, but it has been possible during the past year to meet civilian requirements to a greater extent than for some years past, and no difficulty has been experienced in meeting the normal requests of this class of applicant, particularly where the loan-moneys are required to assist in the erection of new homes. With the extension of the loan limits the demand in this respect is already increasing.

Repayments from existing borrowers have, as in the past, provided a fairly large proportion of the funds needed to meet loan requirements. Treasury was, however, called upon to provide capital moneys amounting to £5,600,000, a reduction of £600,000 on the previous year.

Climatic conditions have generally been favourable throughout the Dominion and production has been uniformly high. North Auckland experienced a dry spell in the late summer and autumn, but investigations have shown that dairy production for the season is likely to be very little below that of the 1948-49 season, which was a record one for the district, and will certainly be above the average for some years past. Settlers most severely affected were those who had taken up farms during the previous year and had not become fully established before the dry spell. Apart from these few, the great majority were able to maintain satisfactory production; and with sufficient rain in the late autumn and a mild winter to date, pastures have made a good recovery.

Prices for all types of stock have remained high and wool prices have risen above expectations. The farming community generally has, as a result, had a very successful season: and we note with pleasure that a large number of ex-servicemen's accounts are showing substantial trading surpluses. The Corporation has continued to encourage its borrowers to use these revenue surpluses to build up their asset reserves by reducing their mortgage liabilities, and as far as possible effecting improvements which normally would have to be financed by further loan capital.

The volume of transactions, as evidenced by the numbers of cheques and receipts issued, shows an increase over past years, and these have reached a new record. Cheques to the number of 103,000 involving total payments of £22,071,000 were issued during the year, whilst the number of receipts issued totalled no less than 1,625,000 involving £22,485,000, thus making a total cash turnover in payments and receipts of £44,556,000.