

timber is immersed in a chemical and oil solution which has the effect of sealing the timber and preventing attack by fungus and wood-boring insects. Nearly 2,000,000 ft. of matai and rimu weatherboarding and flooring has been treated in this way. The immersion process, however, has its limitations, and the Corporation, in conjunction with other interests, is carrying out extensive experimental work, using pressure treatment together with a water-soluble wood-preservative. Both native and exotic timbers are being tested under treatment, and while at present the results are incomplete, the indications are that the method of preservative pressure impregnation should give good results and assist in the wider utilization of our non-heart and exotic timbers.

9. *Balance-sheet.*—There is no substantial change in either the assets or the liabilities which requires particular comment. It is pleasing to record that there has been a comparatively small proportion of borrowers who have failed to meet their mortgage instalments in full, but in view of the generally high level of prosperity of all sections of the community, this result was to be expected.

10. *Revenue Accounts.*—There has been a reduction of £15,712 in the profits payable to the Treasury as compared with the results in the previous year. This is mainly due to the substantial increase in the charge against the Profit and Loss Account in respect of administration of rehabilitation advances from the War Expenses Account, and to an increase in the item “Management expenses.” Both these trends have been commented upon earlier in this report. No allocation has been made this year for reserve of losses on new business, but an additional amount of £20,000 has been set aside in respect of mortgage assets taken over from the State Advances Office.

War-damage insurance at £9,026, as compared with £46,153 in the previous year, reflects the reduction following the decision of the Government to reduce the premium from 5s. per cent. to 1s. per cent.

The net profit of £157,059 is £9,288 greater than that shown for the year ended 31st March, 1944, but provision for taxation absorbs £152,000.

The net balance in the Appropriation Account is £5,059, available for payment to the Treasury.

11. *Staff.*—A large proportion of the male staff of the Corporation, both clerical and field officers, is still absent in the Armed Forces or engaged on other war work, although numbers of our men have returned to duty after war service. Shortage of staff has created many difficulties, but in view of the heavy demands made on the Corporation, particularly during the past year, in respect of rehabilitation activities, the Board feels that it can claim that satisfactory service has been rendered to all borrowers. The Board desires to express its appreciation to administrative officers and to the whole of the personnel throughout the Dominion for their willing co-operation and loyal service.

A. D. PARK, Chairman of Directors.	
T. N. SMALLWOOD, Deputy Chairman of Directors.	
B. C. ASHWIN	} Directors.
D. BARNES	
R. G. MACMORRAN	