

It will be of interest to record that, while the Corporation still has a very large number of rehabilitation loans on its books, there is nevertheless a considerable number of loans granted under this heading which have in fact already been repaid, and the relative figures (as to number of accounts only) are shown in the following table :—

Type of loan.				Number of Accounts Repaid, 31st March, 1948.
Farm	..	..	..	76
Residential	..	..	..	777
Stock (R.I.C.)	..	..	..	44
Business	..	..	..	1,745
Furniture	..	..	..	2,519
Tools of trade	..	..	..	706
Miscellaneous	..	..	..	99
Total				5,966

It should be explained that some of the loans have been repaid as a result of the sale of farms, houses, and businesses by the original borrowers, who for various reasons have found it necessary to change their employment or the location of their place of residence. The properties thus sold have in most cases been acquired by other ex-servicemen, to whom new loans have been granted.

PRESERVATION AND PROTECTION OF TIMBER

Treatment of Timber.—As part of its policy of providing long-term finance for the erection of buildings, the Corporation requires that such buildings be constructed with high-grade durable materials. Heart grades of native timbers have been difficult to obtain in recent years, and, with the likelihood in the future of further reduced supplies and an increased use of exotics, the Corporation has actively encouraged the development of preservation methods to enable the acceptance of the lower grades of timber with confidence.

Up to the present most of the preservative treatment has been by the kiln-drying and dipping process. In addition to other advantages the kiln drying ensures that the timber is sterile prior to treatment, and the subsequent dipping process offers a desirable measure of protection against subsequent attack by insect, fungi, or other wood-destroying organisms. The method is, however, not ideal, partly because of the expert and close supervision necessary, and partly because of the technical difficulties encountered. Particular care has also to be taken to ensure that the only chemicals used are harmless to persons operating the dipping-plants or to users of the timber, and that the painting and other essential requirements of timber are not affected. The great advantage of the dipping process is that wherever proper kiln-drying facilities are available, it can be initiated quickly and economically without the installation of expensive plant. The amount of timber treated by this method is considerable, and up to the present approximately 5,000,000 super. feet of low-grade timbers, otherwise unsuitable, have been made available for building purposes.

More recently pressure-impregnation methods of treatment have been instituted in New Zealand. Commercially operated plants have been installed in Auckland and Christchurch, while plants in other centres are contemplated. A considerable proportion of the non-durable grades of timber being used in the State rental houses and in Corporation securities is already being treated in these plants. To date approximately 2,500,000 super. feet of these timbers have been pressure treated. These are mainly native timbers such as rimu, matai, and tawa, but approximately one-quarter of the total is exotics, mainly *pinus radiata*.

The Board confidently anticipates that the extended use of pressure-impregnation methods will largely solve the problems involved in the use of the lower grade timbers.