

9. *Rehabilitation of ex-Servicemen of the Present War.*—The Corporation has been entrusted with the administration of an important phase of rehabilitation of ex-servicemen who are discharged from the Forces—namely, loans to assist them in becoming re-established on farms, in homes, and in civilian employment. Prior to the passing of the Rehabilitation Act, 1941, and pending the appointment of the Rehabilitation Board the Government publicly announced its loans policy and authorized the Corporation to make advances for various purposes, which may be briefly summarized hereunder:—

- (a) Loans for tools of trade: Up to £50, free of interest.
- (b) Loans for the purchase of furniture: Up to £100, free of interest.
- (c) Loans for the purchase of businesses: Up to £500, with interest at  $4\frac{1}{8}$  per cent., with a reduction to 2 per cent. for the first year.
- (d) Loans for the purchase of farms and stock: Up to £3,000 for land and £1,250 for stock, with a right to increase land loans to £3,500 and stock loans to £1,500 in special cases; interest on land loans to be at the rate of  $4\frac{1}{8}$  per cent., with a reduction to 2 per cent. for the first year and to 3 per cent. for the two subsequent years, and on stock loans at the rate of 5 per cent., with a reduction to  $2\frac{1}{2}$  per cent. for the first year. It subsequently became clear to the Corporation that the limits imposed on loans for farms would be too conservative if economic holdings were to be provided for those desiring to take up sheep-farming, and on the recommendation of the Board the Government has decided that in special circumstances the maximum loan for a sheep-farm may in suitable cases be extended to £6,250 for land and stock.
- (e) Loans for the purchase or erection of houses: Up to £1,500, with interest at the rate of  $4\frac{1}{8}$  per cent., reducible to 2 per cent. for the first year.

The recent experience of the Corporation in handling loan applications for the purchase of farms and houses discloses a definite hardening of the market, and prices asked by vendors are frequently much in excess of value. In such cases the applicants are advised to select another property, as it is not the intention of the Board to contribute to the inflation of property values by encouraging ex-servicemen to enter into contracts unrepresented by fair value. Advances up to 100 per cent. of value are granted in approved cases, and as a large proportion of the applications already dealt with have come within this category there is need for maintaining a close control on the prices paid.

The loans granted by the Corporation for the purchase or erection of houses or for the purchase of farms and stock are being made from the Corporation's account and the loans for the other purposes are being provided by Treasury from the War Expenses Account.

Following the appointment of the Rehabilitation Board, the authority given to the Corporation was confirmed, and with a view to co-ordinating the policy of the Corporation with that of the Rehabilitation Board arrangements were made for one of its members to attend meetings of the Board of Management of the Corporation when applications from ex-servicemen were under consideration. This has enabled a ready clarification of points of policy as they have arisen. In addition to this, the Joint Managing Directors have on occasions been in conference with the Rehabilitation Board, and this has had beneficial results. There is a further advantage in having the Secretary to the Treasury as a member of both the Corporation and the Rehabilitation Boards. The Lands Department is interested in another phase of the land-settlement scheme for ex-servicemen, and co-operation between the Department and the Corporation has been assured by the appointment of Mr. R. G. Macmorran, Under-Secretary for Lands, as a member of this Board, and by one of our Board members representing the Corporation on the Land Settlement Board.

The Corporation has also arranged for its Branch Managers throughout the Dominion to keep in close touch with Local Rehabilitation Committees regarding applications for loans from discharged servicemen. The Corporation's branch organization, which now extends to twenty-one district centres, will enable the early investigation of ex-servicemen's applications for loans, and our experienced field staff will be in a position to assist applicants with expert advice on matters such as selection of farms and houses. The administration of the loans when granted will be conducted at the branch offices, and the borrowers will have access to the controlling officers for advice and assistance should the need arise.