In this connection close liaison has been maintained with the Army Education Welfare Service. Rehabilitation Officers advise the nearest Army District Educational Officer of any serviceman who is on Army pay and who desires to undertake a correspondence course. When a serviceman receiving tuition is discharged or placed in Area Pool on leave without pay, the Army District Educational Officer advises the stage reached in the serviceman's tuition, and the serviceman continues his studies at the same school of instruction as a rehabilitation student.

The recent re-organization of the Vocational Guidance Service of the Education Department has been made partly to meet the request of the Rehabilitation Board for adequate guidance for ex-servicemen. Full-time Guidance Officers are operating in the larger centres, and special arrangements are being made in the secondary centres for the appointment of part-time honorary Vocational Guidance Officers. These officers will co-operate with the Rehabilitation Service to ensure that ex-servicemen undertake courses with the benefit of specialist advice.

(11) FINANCIAL ASSISTANCE

(i) Rehabilitation Loans

The Rehabilitation Board has from the outset regarded the provision of financial assistance to ex-servicemen as one of the most important fields of rehabilitation activity, and following closely on its establishment it constituted the State Advances Corporation its agent in this field.

With a view to co-ordinating the Corporation's administration of the rehabilitation scheme with the Rehabilitation Board's activities, it was arranged that a member of the latter Board should sit with the Directors of the Corporation at meetings called to consider loan applications. Questions of policy, particularly in regard to eligibility, are thus capable of ready clarification as they arise.

The Board has given consideration to the place of local Committees in loan procedure, and has applied an arrangement in accordance with which applicants for financial assistance at the time of making application to the Corporation have their cases considered by the local Committee, which makes a recommendation. No application for assistance is definitely rejected without the concurrence of the Rehabilitation Board.

District Officers of the Corporation keep in touch with local Committees and collaborate closely in regard to their respective functions. The advice available through the Corporation's controlling officer, who can obtain reports from expert field staff both in regard to farming and housing matters, is proving of great assistance to the Committees and to the applicants concerned.

With a view to expediting the consideration of applications, the Corporation has already delegated to its Branch Managers authority to grant loans for furniture or for tools of trade, but no Branch Manager has authority to decline an application. The administration of these particular loans has been entrusted to the Branch Offices of the Corporation, which will need to refer to their Head Office only in cases of difficulty, such as where default in payment of instalments occurs. The field officers are regularly in touch with borrowers and give friendly supervision and advice where desired.

Assistance available.—The nature and extent of assistance that may be granted by the Corporation under its present authority as agent to the Rehabilitation Board are summarized hereunder:—

All loans may be made available up to 100 per cent. of valuation.

Loans for Tools of Trade: Up to £50, free of interest; repayable according to borrower's circumstances.

Loans for Furniture: Up to £100, free of interest; repayable according to borrower's circumstances.

Loans for the Purchase of Businesses: Up to £500, with interest at $4\frac{1}{8}$ per cent., subject to a rebate to 2 per cent. for the first year; repayable on terms estimated to leave a sufficient margin for the borrower to have a satisfactory living for himself and his dependants.

Loans for the Purchase of Farms and Stock: Up to £3,000 for the land and £1,250 for stock, with power in special cases to increase the land loan to £3,500 and the stock loan to £1,500. Interest on the land loan is to be at $4\frac{1}{8}$ per cent., reducible to 2 per cent. for the first year and to 3 per cent. in the two subsequent years. The period during which interest at 2 per cent. operates may be extended to seven years. Stock loans are subject to interest at 5 per cent, with a reduction to $2\frac{1}{2}$ per cent. for the first year. The basis of repayment is arranged with the borrower according to his circumstances. The majority of loans for houses or farms will be on a long term basis, say from thirty to forty-five years. The repayment of stock loans will be adjusted to suit the circumstances of the borrowers, but they will be encouraged in all cases to liquidate their liability as soon as this is possible, consistent with their obtaining a satisfactory living from their farms.

Loans for the purchase or erection of houses may be granted up to a maximum of £1,500 in each case, interest being payable at $4\frac{1}{8}$ per cent., with rebate to 2 per cent. for the first year or for a further period of up to six years under special circumstances. Terms of repayment are arranged on the most liberal basis consistent with the nature of the property, and the table of repayment is capable of variation to meet a change in the circumstances of the borrower. The Corporation makes available to applicants the facilities it provides for home-building borrowers in its special loan business. This includes provision of plans and specifications from standard booklets that have been assembled over a period of years. Advice and assistance in regard to the purchase of sections and calling of tenders is also readily available. The number of loan applications for the purchase of houses has been quite substantial, as will be seen from the summary of business handled by the Corporation up to 31st March, 1943 (*vide* Table IX of the Appendix).

Where several ex-servicemen are desirous of entering into a proposition under a partnership arrangement, there is authority to increase the loan grants in order to facilitate the group rehabilitation of such men. This arrangement is in accord with the desire of the Rehabilitation Board to assist the establishment of co-operative working partnerships in industry and agriculture wherever this form of activity is feasible.

Loan Policy: General.—The selection of suitable properties and businesses will, of course, for at least a time be a matter of considerable difficulty, because the available farming units and economic businesses which can to-day be purchased at satisfactory figures are not numerous. Past experience, particularly with farming cases, has shown how unsatisfactory it is to assist a man into an overpriced farm or a property which may not under average conditions prove to be an economic unit, and for this reason each case has been carefully examined in the light of the productive capacity of the property submitted.