

172. The Act is therefore an important rehabilitation measure, and by providing for the control of sales and purchases it ensures that land will be available to discharged servicemen at economic prices. Already there is ample evidence that the Act has had a steady effect on land-prices.

173. Properties that are capable of subdivision into two or more economic units may be acquired compulsorily provided:—

- (a) That the owner shall have the right to retain any part of the land constituting an economic holding and containing the homestead (if any) or, at the owner's option, any smaller area containing the homestead.
- (b) That during the present war the land of any serviceman who is for the time being serving outside New Zealand in any of His Majesty's Forces or in any British ship shall not be so taken. Native land is expressly excluded from the operation of this part of the Act.

174. Provision is made for any property that is the subject of an application to the Land Sales Court for consent to transfer to be acquired for rehabilitation purposes.

175. At the date of this report no properties have been so far acquired under this authority, but a number has been under consideration.

(viii) The Settlement Outlook

176. The war situation to-day, from all reports, is not dissimilar to that of late 1918, when there were indications of the prospective early return of large numbers of servicemen who would show interest in various forms of farming.

177. However, the scope for land settlement then and now is not comparable. In the period of peace between the two wars the bulk of the Crown land of reasonable quality has been disposed of under varying forms of tenure, and what remains offers limited field for additional settlement, particularly by ex-servicemen who have been assured that they will not be asked to expend their time and energies fighting Nature on lands of inferior quality. Admittedly agricultural science has advanced over the last twenty years to an extent sufficient to justify the hope that areas once despised because of their apparent infertility, notably the lands in the pumice belt, can now be successfully settled provided they are handled in accordance with proven practice.

178. The purchase of existing single-unit farms by ex-servicemen will not solve the problem of providing for all those who are qualified, or likely to become qualified, for farm settlement. Those owners who are replaced by this form of settlement in many cases retire or look to some other trade or calling for their livelihood, but others again go on the market for some other type of property and add to the competition for the comparatively limited number of suitable properties offering.

179. What is the possible solution of the unsatisfied demand for land by ex-servicemen? Seemingly it lies in the acquisition and closer settlement of properties at present held in private ownership by persons whose total holdings are more than sufficient for the economic needs of themselves and their dependants. A limiting factor for the time being towards rapid development of a plan along these lines is the shortage of materials referred to elsewhere in this report. Moreover, in any plan for closer subdivision of existing holdings, due regard must be had to the fact that, in more than isolated instances, the cost of subdivision and the incidental expense of providing additional buildings and settlement facilities cannot be fully recovered in the capital loadings allocated to the individual sections. The increased production does not in every case bridge the gap between costs and disposal values.

180. The encouragement of diversified farming appears to offer a partial solution of the problem, in that it will or should enable the settler to obtain a reasonable income from a much smaller area. Diversified farming must, however, be allied with industrial development—e.g., the extension of the canning and dehydration industries to ensure a market for produce beyond the immediate capacity of the local markets and New Zealand's capacity to absorb products.

181. The Rehabilitation Board is paying particular attention to the question of land-settlement in all its branches, and its decisions and policy will be guided always by expert opinion and research.

182. Many ex-servicemen have disclosed more than a passing interest in co-operative farming, and the Board is investigating the merits of this form of settlement.

SECTION XII.—FINANCIAL ASSISTANCE

A. LOANS

(i) Administration

183. The State Advances Corporation has continued to act as the agent of the Rehabilitation Board in the provision of financial assistance to ex-servicemen, and, consequent on the re-organization of the Board in March, 1944, a Rehabilitation Loans Committee was appointed comprising the Director of Rehabilitation; Messrs. A. D. Park and T. N. Smallwood (Joint Managing Directors of the Corporation); Mr. C. W. Batten (Rehabilitation Board Member); the Under-Secretary of Lands; and the Secretary to the Treasury. This Committee has been authorized to carry out the functions of the Rehabilitation Board as contained in sections 10 (2) and 11 (1) of the Rehabilitation Act, 1944, and is subject to the formal control of the Board as explained in para. 5 of this report.

184. There has been close collaboration between District Officers of the Corporation and the local Committees, of which District Rehabilitation Officers are *ex officio* members. This has assisted generally in the consideration of applications for financial assistance, and the benefit of these arrangements will be obtained as the newly-appointed committees become fully acquainted with the Board's policy. In the first instance the local Committees furnish their recommendation on the application particularly as affecting the question of eligibility for the assistance applied for, and it is their responsibility to see that all relevant facts are taken into consideration. Any applicant dissatisfied with the decisions of a local Committee has a right to appeal to the Rehabilitation Board, and likewise, if the Loans Committee is unable to approve the recommendation of the local Committee, the latter may submit a report direct to the Board.