As a preliminary to farm settlement, each ex-serviceman applicant is required to submit evidence of his ability and experience to the satisfaction of the district Farming Sub-committee, comprised of a local practical farmer and representatives of one or both of the Lands Department and the Corporation. If not fully qualified, the applicant is advised and assisted by this Committee in completing his training. Having been granted his Grade " A " certificate, he is then eligible for assistance, with any qualification imposed by the Committee as to district, &c., to acquire a farm in either of the following ways:—

(*a*) By ballot for a farm becoming available through the operations of the Land Settlement Board under one of its subdivision schemes or in respect of a farm acquired by the Crown under section 51 of Servicemen's Settlement and Land Sales Act.

(*b*) By purchase of a farm from an existing owner with the aid of a loan under the Rehabilitation Act.

Irrespective of the manner in which he acquires his farm, and even if he makes his first start as a share-milker or a lessee of private land, he is entitled to consideration for financial assistance within the limits specified by the Rehabilitation Board, and it is at this stage that the Corporation is called upon to advise—

(*a*) If a private purchase, on the assessment of value and investigation of all factors likely to have a bearing on the suitability of the property for the permanent rehabilitation of the applicant.

(*b*) On the purchase of farm stock and plant.

(*c*) On the preparation of a farming programme for the coming season and, if the farm is not fully improved and equipped, to formulate a scheme for the progressive improvement of the property to its full productive capacity.

It is in the latter type of case that the fullest use is made of the practical experience of the field staff, and a number of men already assisted in this way have appreciated and readily acknowledged the help that successfully carried them over the first few years of development. Although the maximum amount of assistance is given to the new settlers, each man is encouraged to become fully self-reliant as soon as possible, rather than continue on a system of annual budgeting with seasonal advances. Even where budgeting is unavoidable in the initial stages, the earliest possible opportunity is taken to allow the borrower to take over complete control. Experience so far has proved the wisdom of this policy, and provided prices for farm produce remain at approximately present levels for a few years it is expected that the majority of the borrowers will become firmly established with equities for themselves in their stock and land. A factor that will contribute in no small measure towards the success of all farm settlement under the rehabilitation scheme is the policy adopted by the Lands Settlement Board and the Corporation, with the approval of the Rehabilitation Board, of insisting that each farm, whether it be used for sheep-raising, dairying, orchard, or other type of farming, should constitute an economic unit by itself, assessed on a fair budget for average conditions in the hands of the average farmer.

Terms of Lending and Interest Rate

Although the Board's policy has been to give preference to the provision of finance for rehabilitation purposes, there are still available to others requiring loan finance the normal borrowing facilities provided by the Corporation. Loans may be obtained on long-term table mortgages for the purchase of farms or houses and for the purpose of erecting new houses or carrying out improvements on farming or residential securities. The interest rate is $4\frac{1}{8}$ per cent. The Rural Intermediate Credit system of providing