PART II.

1. *Change in Constitution.*—The Housing Act, 1919, which authorized the acquisition of land and the erection of dwellings for disposal by way of sale or lease, was originally under the administration of the Labour Department, but the sections relating to the administration of the Act were repealed by the State Advances Amendment Act, 1922, and the powers of the Housing Superintendent and the Housing Board were thereupon transferred to the State Advances Superintendent and to the State Advances Board respectively. When the Mortgage Corporation of New Zealand was constituted the legislation did not affect the administration of the Housing Account, which remained under the jurisdiction of the State Advances Superintendent.

It was, however, provided by section 16 of the State Advances Corporation Act, 1936, that on the coming into operation of Part IV of that Act—*i.e.*, on the 1st July, 1936—the powers, functions, duties and obligations of the State Advances Superintendent and the State Advances Board should be deemed to be transferred to the Corporation and to the Board of Management respectively.

Part IV of the Act made further machinery provisions in regard to the establishment of and operations on the Housing Account, which is constituted as a separate account, funded from Government sources and is quite distinct from the lending operations of the Corporation. For its services in connection with the administration of the Housing Act, 1919, the Corporation is empowered to make such charge against the Housing Account as may from time to time be approved by the Minister of Finance.

2. *Transfer of Housing Account.*—In terms of the statute the "Housing Account" was opened as a special account at the Reserve Bank of New Zealand on the 1st July, 1936, by the transfer of moneys held in the State Advances Account on that date in connection with the Housing Act, 1919. On the same date the assets and liabilities of the Housing Account came under the control of the Board of Management.

The main assets of the Account at the date of transfer as reflected by the previous expenditure in the erection of houses might be classified as follows:—

(*a*) Balances owing by 366 persons under agreements for sale and purchase of houses erected under the Act.

(*b*) Houses numbering 137, occupied by tenants on a rental basis.

(*c*) Residential allotments to the book value of £23,777 held for building purposes.

3. *Housing Policy.*—It is unfortunate that reliable statistical information as to the extent of subnormal housing and of overcrowding in New Zealand is not yet available, but the housing survey at present being conducted by local authorities under the provisions of the Housing Survey Act, 1935, should result in the compilation of valuable data. In the meantime, however, the needs of numbers of our present population who are living in quarters which are obviously below the housing-survey standard are so great that it became evident that action on a comprehensive scale to improve existing conditions is urgently necessary.

It is common knowledge that many people have been forced through diminishing family income and unemployment to adopt the expedient of sharing their houses with others. The slowing-down, if not the virtual cessation, of building operations, during the slump period brought about the present housing-shortage, and these people, who are with the advent of improved economic conditions, once again able to afford the upkeep of a home of their own cannot now be accommodated.