

empowered to frame such scheme in consultation with the Commissioners, and if approved by them the necessary capital shall be advanced at 4 per cent. interest.

The Commissioners should be vested with power to investigate and approve, modify, alter, or reject all building schemes submitted by local bodies. Such investigation should include the following points:—

- (a.) Whether the demand is sufficient to ensure that the houses will be permanently occupied.
- (b.) Whether the land is being purchased at a fair price.
- (c.) Whether the site is suitable from the point of view of healthfulness of locality and reasonable proximity to employment.
- (d.) What material is most suitable and economically available in each locality.

The Committee recommends the following financial provisions shall apply:—

Loss of interest as between 4 per cent. and the actual cost of loans to be met by the State.

Rented houses to be the property of the local body, who shall pay, in addition to this 4-per-cent. interest, a sinking fund of 1 per cent.

Weekly rent to be at the rate of 5 per cent. on cost of land and building plus weekly proportion of the annual rates.

Cost of maintenance, insurance, administration, and loss by bad debts and non-letting of houses to be borne by local body.

Every occupier shall have the option of purchasing the property occupied by him, at no greater price than will secure the local body against loss.

A local building scheme might originate in any one of three ways—

- (1.) By the initiative of the local body, without a poll.
- (2.) By a petition of residents to the Commissioners.
- (3.) By direction of the Commissioners after public inquiry.

Advances to Industrial Concerns and Farmers.

For providing homes for employees the Government should lend money to approved companies, employers, and farmers on the following conditions:—

Such advances shall be made only when the building scheme has been approved by the Commissioners.

Advances to be for the purpose of providing houses for workers, with preference to those having incomes below £300, with the addition of £25 for each child over three in number.

The rate of interest charged shall be 5 per cent. and the sinking fund 2 per cent.

The borrower shall be wholly responsible for repayment of the loan.

The rent shall be based on 5 per cent. on the cost of the building only.

The borrower shall bear the cost of maintenance, rates, insurance, and provide the necessary land.

When the loan is repaid the houses shall become the sole property of the borrower, but the rent shall not exceed the rates previously stated, except by consent of the Commissioners.

As the above scheme is intended to overcome the financial difficulties which in the past have often rendered the farmer helpless to improve the housing-accommodation of his employees, the State must insist that a decent standard of housing should be available to all rural workers.

Advances to Workers.

The Committee is of opinion that the legislation governing advances to workers requires considerable widening, and recommends—

- (a.) That the maximum amount of loan that may be advanced be raised to £750 for the purpose of erecting a new building and to £600 for the purchase of an existing building: