

(v) Settlement Facilities available

159. Settlement may be assisted by any one of three methods thus: (a) by establishment as a freehold farmer or by purchase of an existing lessee's interest in a leasehold; (b) by establishment as a Crown lessee on a single-unit farm acquired by the Crown under section 51 of the Servicemen's Settlement and Land Sales Act; (c) by establishment as a Crown lessee on a subdivision of property acquired by the Land Settlement Board under the provisions of the Small Farms Act.

160. An "A" Grade applicant may apply for a loan to purchase any single-unit farm which is available for sale, provided it is in the locality and of the type in respect of which he has been graded. A single-unit farm is defined as a farm which, when fully developed, will not be capable of subdivision into two or more economic holdings.

161. The general limit for farm loans is £5,000, including finance for stock and chattels, but in the case of sheep-farms the limit is extended to £6,250. The interest-rates charged are:—

Farms.—4½ per cent., except during the first year of the term of the loan when the rate is 2 per cent. and in the second, third, and fourth years when it is 3 per cent.

Stock and Chattels.—5 per cent. except during the first year when the rate is 2½ per cent.

162. Where an ex-serviceman has been granted a loan to acquire a farm, but is financially embarrassed pending the receipt of farm income, the Rehabilitation Loans Committee may grant seasonal advances on current account to tide the borrower over this difficult period.

163. Where "A" Grade applicants are established on single-unit properties acquired by the Crown under section 51 of the Servicemen's Settlement and Land Sales Act the mode of establishment is leasehold tenure in terms of the Small Farms Act, 1932-33. The lease provided for under this Act is of thirty-three years' duration, but is perpetually renewable. The rent is based on the unimproved value and is fixed at 2 per cent. of that value during the first year of the lease at 3 per cent. during the second and third years, and at 4 per cent. thereafter. The value of improvements is secured by a mortgage administered by the State Advances Corporation on behalf of the Board, and up to 100 per cent. of the cost of stock and chattels may be advanced. The interest rates in these cases are the same as those referred to in paragraph 161.

164. In those cases where the ex-serviceman is established as a Crown tenant on subdivisions of properties acquired under the Small Farms Act disposal of the subdivision is by ballot, which is confined to men graded "A" for the particular district and for the class of farm for which the subdivisions are best suited. The Lands Settlement Board, together with representatives of the Rehabilitation Board, comprises a Land Settlement Committee to control the purchase of land for subdivision and settlement thereon of ex-servicemen. Any further development work on subdivisions prior to balloting is undertaken by the Land Settlement Board. The tenure provided for is the same as that for single-unit properties acquired under the Servicemen's Settlement and Land Sales Act.

(vi) Settlement Results

165. To date a total of 264 men has been established as farmers. Of this number 255 were established as freeholders or by purchase of the existing lessees' interests in leasehold assisted by loans, and 9 as lessees on subdivisions allocated under the Small Farms Act. Since the number of ex-servicemen established before 1st April, 1943, was very small there has been no attempt to distinguish between the figures for the twelve months just ended and the cumulative total.

166. At the outbreak of war the Lands and Survey Department had under development a total area of 200,000 acres, comprising private land purchased and Crown land set apart for improvement, subdivision, and settlement under the Small Farms Act, 1932-33, and the Land Laws Amendment Act, 1929. Included in this land is property comprising reverted securities, the reconditioning of which is in progress.

167. Much of this land will be suitable for settlement by ex-servicemen, but the exact area cannot be determined until the development programmes are further advanced. A rough estimate of the suitable area would be between 80,000 acres and 100,000 acres.

168. Soon after the outbreak of war a decision was made to proceed with the purchase of reasonably-priced privately-owned properties capable of ultimate subdivision into two or more economic units, and to the 31st March properties totalling 56,000 acres had been so acquired. Of these, only one, the Te Tawa Block in the Bay of Plenty comprising two dairy units, had been settled at the 31st March. The others were still controlled by the Land Settlement Board, which was proceeding with their development in readiness for settlement. For reasons beyond the control of the Government these development programmes could not be completed as quickly as desired. Japan's entry into the war produced serious deficiencies in the supply of essential materials, particularly of fertilizers, fencing-wire, piping, and building requisites, and in consequence the Land Settlement Board was forced into the position of restricting its land purchase and development operations. However, both the Land Settlement Board and the Rehabilitation Board fully realize the urgent demand there is, and will be, for properties by returned servicemen, and every endeavour is being made to complete development programmes as quickly as circumstances will permit.

169. A total of £470,006 has been expended on the purchase, development, and miscellaneous charges involved in connection with the properties allocated and others purchased for settlement purposes but not yet available for allocation.

170. Table XVII of Appendix II gives the number of ex-servicemen established to date on farms of various kinds under the two methods discussed herein.

(vii) Servicemen's Settlement and Land Sales Act, 1943

171. The purpose of the Act was to enable the acquisition of land for the settlement of discharged servicemen and to provide for the control of sales and leases of land in order to facilitate the settlement of discharged servicemen, as well as to prevent undue increases in the price of land, undue aggregation of land, and its use for speculative or uneconomic purposes.