

PURCHASE OF LANDS AND ADVANCES BY WAY OF MORTGAGE IN CONNECTION WITH SOLDIER SETTLEMENT.

The Dominion Board feels that the present is an appropriate time to make some comment upon the oft-repeated statement that the lands acquired for soldier settlement were purchased at extremely high rates particularly favourable to the vendors, and detrimental to the Crown and the prospective soldier settler.

The Board, after dealing with an immense number of cases, and having in the course of its work access to the original files, is in a position to dispassionately arrive at a conclusion that no purchase or investment was entered into by the Government without most careful consideration. No acquisition appears to have been made unless upon the advice of duly qualified persons conversant with values of land and general farming-conditions. To appreciate the position the conditions obtaining must be realized. The war was in progress, and the Dominion's land products were never at a better price in its history. Its main staples—dairy-produce, frozen meat, and wool—were in great demand; and, of these, butter, cheese, and dried milk were at unheard-of prices. Land was changing hands freely, and had, on the ruling prices of its products, a value never hitherto reached.

It was just at this period that soldiers began to come back from the war, and the work of repatriation became an urgent and pressing necessity. There was unanimity and approval in every quarter with the expressed policy of the Government to make land-settlement the main feature of its repatriation proposals. The Government was urged to do this by practically every organization—local bodies, Chambers of Commerce, and Patriotic Societies—and right through the Dominion the Press, as the voice of the people, was insistent that land must be provided for returned men. The Government realized its responsibilities, and proceeded with diligence to make the necessary provision to give effect to the legislation introduced under the Discharged Soldiers Settlement Act, 1915. At this time there is no doubt land had reached "peak" prices; but who will say to-day that the Government should have "gone slow" and withheld from purchasing lands for repatriation? Even at the high prices ruling, land was selling freely, and civilians were in keen competition for every acre available. It was virtually impossible to buy land other than at its then ruling value. The question of compulsory acquisition would have resulted in long delays, and it is most doubtful if a lesser price would have resulted, as returns seemed to confirm the prices that were eventually given. Naturally, the entry of the "land-for-soldiers scheme" into the arena did not tend to lower values. The Government did not, however, shirk its responsibilities: it realized that land had to be made available, and it proceeded to negotiate for areas suitable for subdivision. Every precaution was taken to safeguard the public interest in the matter of these purchases. Competent valuers were called in, and, as a rule, the advice of leading landowners and practical men in each locality was obtained before a property was acquired.

In connection with advances made to finance the purchase of land under sections 2 and 3 of the Discharged Soldiers Settlement Act, the policy was similar to that of the State Advances to Settlers Department, with this exception: the latter only advanced a safe percentage of the total value; but when advances were made by the Lands Department to enable soldiers to acquire properties under sections 2 and 3 the whole of the purchase-money, up to £2,500, was advanced, provided the valuations obtained justified such advance. Soldiers were allowed to make their own selection, and invariably negotiated for the purchase themselves; and in this connection it has to be noted that in many cases the Department was successful, after inquiry, in obtaining a reduction in the price the soldier was willing to pay before allowing the purchase to go on. In many cases the Crown's advance of up to £2,500 did not provide the total purchase-money, and the excess amount was either paid in cash by the soldier or a second mortgage was given securing the amount to the vendor.

Under the revaluation of soldier lands the Crown's security for advances made under section 2 has been reviewed, and, where necessary, the advances have been reduced to the present value of the security.

The deflation of land-values subsequent to the period covered by repatriation has necessarily affected, in the first instance, holders of second or subsequent mortgages. The existence of the latter has greatly hampered the Dominion Board's efforts to adjust settlers' difficulties, but a number of mortgagees have met the position cheerfully by compromise, and have agreed either to write off or reduce their respective charges.

Regarding the larger properties acquired, it can be definitely stated that, as going concerns, they were well and carefully bought; but the trouble arose upon subdivision. Under subdivision it must be apparent that capital charges are increased by the provision of extra homestead buildings, &c., and it is recognized that this extra loading is the chief obstacle in the acquisition of lands for subdivision for closer settlement.

The reductions made by the Dominion Board should not be taken as in any way reflecting on the wisdom of those recommending the several purchases, but rather as an earnest endeavour to readjust values to co-ordinate with the altered conditions of to-day, offset the late slump, and be in line with the productive value over a series of years.

The reductions made by the Board, it is submitted, are really the cost of repatriation; and the country has reason to be satisfied with the success of its effort on behalf of those who left the Dominion's shores to fight for their people and country.

GENERAL.

The summarized schedules here following show the nature of reductions, remissions, and postponements granted, and give information regarding debt-reductions and purchase of mortgages arranged by the Board.

J. B. THOMPSON, Chairman.