

Though the State still continued to conduct operations under the Land for Settlements Act, and indeed raised the annual sum that could be used for the purposes of the Act from £600,000 in 1913 to £750,000 in 1925, the new Government showed a preference for voluntary subdivision, and in 1912 offered advances repayable from the proceeds of sale to owners who wished to subdivide. On the buyers' side in 1928 facilities were given to group applicants so that they might require Land Boards to purchase land for them after an approved agreement had been effected with the owner. The land might thereupon be taken up by the applicants either for cash or on deferred payments. Then in 1932 an Amending Act authorised loans out of the Land for Settlements account to assist the private acquisition of freehold land. Up to 90 per cent. of the purchase price of the land might be so advanced on first mortgage, whereas, through the Long-term Mortgage Branch of the Bank of New Zealand established in 1926, the bank was limited to advances on first mortgage to two-thirds only of the value of landed security.

Many special problems called for attention during this unsettled period. First the settlement of returned soldiers from the last war exercised the attention of the Administration, and vast sums were spent for the purpose of establishing many on the land. By the end of the period nearly 1½ million acres of Crown and Settlement lands had been proclaimed for the purpose, but, except for the offer of individual loans of up to £2,500 at 5 per cent. interest for the purchase of land and £750 for improvements, the conditions of tenure were much the same as for other selectors. Up to 1933-34 advances to farmers on current account and for the purchase of farms amounted to £14.7 millions. Much of the particular land involved in soldier settlement was of poor quality; it was bought at high prices and, as many of the soldier farmers were inexperienced, numbers were soon in difficulties with the collapse of the post-war boom. Therefore in 1923 Revaluation Committees were appointed to go into the financial conditions pertaining to these leases, and capital concessions to discharged servicemen, including reduction of capital values of land and mortgages, remission or postponement of rent, interest, and principal, exceeded in all £4.5 millions (i).

In chronological order the next specific problem calling for legislative attention was the question of inferior and deteriorated lands. Inferior lands were offered rent free to applicants in 1919 and might be granted in fee simple without further payment on fulfilment of improvement and resi-

dence conditions. The State would provide access, the costs to be borne by applicants, and might further make advances for the development of the land. Inferior land in large areas but not exceeding 5,000 acres without special Parliamentary authority and in no case exceeding 50,000 acres could also be offered on deferred payment to companies and persons who would develop it. This last was under the authority of the Land Laws Amendment Act, 1930. But not only was there little but inferior land now available for disposal; much of the surface-sown hill land in high-rainfall areas was also deteriorating through the invasion of secondary growth. The Deteriorated Lands Act, 1925, dealt with this problem as it affected certain hill areas in the North Island. Over-capitalisation of goodwill in

WHILE Minister of Lands in 1908-12, Sir Joseph Ward attempted to set aside a permanent endowment of Crown lands inalienable by way of sale, the



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proceeds from which were to be used for old age pensions and education, but this scheme was thrown overboard by succeeding Governments.

leases, shortage of capital, and insufficient land were some of the causes held responsible for the difficulties of the settlers. Revaluation Committees were appointed to reduce principal and interest of Crown mortgages, remit or postpone instalments of interest on purchase money, or to remit arrears of rent. Boundaries might be altered, the holdings enlarged, the land reclassified, and advances made for fencing and the purchase of manures and other requisites.

A further development in land legislation was precipitated by the 1929-

1935 depression. Just as the special village settlements of the eighties and the Improved Farm Settlements of the nineties had met depression by special provision for the settlement of the unemployed, so the Unemployment Act, 1932, and the Small Farms Act, 1932-33, attempted to alleviate some of the phenomenal unemployment of these years. In the first place efforts were concentrated on small rural holdings of from 5 to 10 acres as a means of supplementing incomes by the production of fruit, eggs, and poultry. Share milking agreements in which the State undertook to erect cottage, milking shed, and other improvements which the owner contracted to purchase on a table mortgage, were also encouraged. But with the establishment of the Small Farms Board in 1933 the scope of the system was widened to include, in addition to the actual settlement of farmers on the land, provision for as many more as possible in the work of development. To this extent the scheme was made into an attempt to generate increased employment and business activity. For the purposes of the Small Farms Act the Minister of Lands had power to purchase stock, chattels, implements, and manures, and to carry out any expenditure incidental to general farming. With the drying up of the private sources of risk-bearing and to some extent of working capital, the State had to make these available. As the problem confronting the Legislature was not land aggregation, it is not surprising to find that a new criterion guiding repurchase activities was adopted. For the purposes of the Act land might be taken if it were considered that it was not being adequately used. Originally the lands, mostly dairy holdings, were to be let for a 10-year term at a rental of not less than 5 per cent. on the unimproved or less than 2½ per cent. on the improved value of the land, and for the first 4 years rent might be paid out of the Unemployment Fund. Rights of acquiring the freehold were given, and in 1935 rights of exchanging to a Renewable Lease with 33-year terms.

Another problem upon which attention is focused in the period under review concerns the provision of capital for farming. The contrast between the present day, with only improved farms of high capital value or unimproved lands requiring much development available, and the days when vast tracts of land were available for the extensive grazing of sheep is too vivid to need any emphasis. For a while deferred payment tenures, instalment purchase of buildings in the case of Settlement lands, and Crown leases, met the problem, but today lands become available almost solely through re-offering or only after extensive development. With the decline in State repurchase activities after 1914, little

(i) D. O. Williams in "Agricultural Organisation in N.Z.," p. 132.