

CROWN LANDS ACT AMENDMENT BILL.

Second reading.

The COMMISSIONER of CROWN LANDS (Hon. G. F. Jenkins)—Prior to the time of the passing of the Crown Lands Act Amendment Act, 1928, it was provided that a transfer of a Crown lease or agreement for sale and purchase would not be permitted in any case when the effect of the transfer would be to increase the holding of the proposed transferee, under any tenure, to land the unimproved value of the fee simple of which exceeded £5,000. The Act of last year increased this amount to £7,000, the reason for the amendment being that owing to the increase in values of land the former limitation was too low; it being realised that with the present price of land and plant it is impossible for a farmer to derive a proper return from the capital invested in land and plant if he is restricted to too small an area of land. Similar limitations upon the holding of land are contained in other portions of the Crown Lands Act, 1915. Under section 177 of that Act it is provided that when land is acquired for the purposes of closer settlement and is subdivided the unimproved land value of the blocks, except in certain cases mentioned in the section, is not to exceed £4,000. Under section 186 it is provided that no agreement for the sale and purchase of acquired lands is to be made with any person who is already the holder of repurchased land of the unimproved value of £4,000, or who would thereby become such a holder. It is obvious that the considerations which applied to the amendment of last session apply equally to the sections just mentioned, and consequently clauses 2 and 5 amend the Crown Lands Act, 1915, and provided that the total of the unimproved value of repurchased land which may be held by any person shall be increased from £4,000 to £7,000. Clause 6 amends section 221 of the principal Act, which deals with surrenders, and provides that in any case when any person surrenders a perpetual lease for an agreement the unimproved value of all other lands of any tenure held by that person in addition to the lands comprised in the surrendered lease shall not exceed £7,000 instead of £5,000 as at present provided. Section 180 of the principal Act provides that in the case of an agreement for the sale and purchase of repurchased lands to which the Commissioner of Crown Lands

directs that the section shall apply, the term of the agreement is fixed at 64 years, and the purchase money and interest are payable by half-yearly instalments. The first 16 instalments are at a specified rate of £1 11s. 5d. for every £100 of the purchase money, and the subsequent 112 instalments are calculated at a rate sufficient to repay, during the term of 64 years, the purchase money fixed together with interest at the fixed rate for the whole term on the balance of the purchase money from time to time remaining unpaid. The Land Board has recommended that this section be amended in various particulars, and this is accordingly done by clause 3. The section is altered in the following manner:—(a) At the present the term of an agreement to which the section applies is fixed at 64 years. As amended the section will permit the term to be fixed at 55 years or 64 years, as the Commissioner directs. (b) During the first 2½ years of the term interest only on the purchase money will be payable at one-half of the fixed rate. (c) During the next 2½ years interest only at the full amount of the fixed rate will be payable. (d) Thereafter the purchase money and interest (including the amount of interest unpaid and accruing during the first 2½ years) will be paid by equal instalments spread over the remainder of the term. Under section 181 of the principal Act the term of certain agreements for the sale and purchase of repurchased land entered into before November 19, 1914, may in any case where the Commissioner directs and the Land Board approves, be extended to 64 years, and the instalments payable thereunder adjusted accordingly. Clause 4 amends this section and extends its application to all agreements with respect to repurchased land entered into under Part X. of the Crown Lands Act, 1903, or under Part X. of the principal Act. In addition, it is provided that in any case where the section is applied to any agreement, the provisions of subsection (1) of section 180 as amended by clause 3 shall be deemed to have applied to such an agreement, and that the Land Board for the purpose of fixing the amount of the instalments shall assume that subsection (1) of section 180 applied to the agreement at the time of the making thereof, and that the instalments payable during the last five years of the term of the agreement were as provided in the said subsection. The amount of the instalments which will then be fixed by the Land Board

under section 181 will be fixed accordingly. Under this section as it exists the purchase money is payable in small instalments in the early period of the lease, and the interest is held over and accrues. Consequently in many cases sales of leases are made on an entirely wrong basis, the seller representing to the purchaser that so much purchase money of the lease has been paid off, but making no mention of the fact that a considerable amount of interest has accrued, which, in many cases, greatly exceeds the purchase money which has been paid. This amendment will make it clear that during the first five years of the currency of the lease the interest only will be payable.

The Hon. T. Butterfield—Suppose a man holds the land for three years and then resells it?

The COMMISSIONER of CROWN LANDS—If he hold the land for three years, under this amendment it will be clear that he has paid only a portion of the interest and that there will be accrued interest and the purchase money payable by the purchaser. The principal purpose of the Bill, however, is in respect of increasing the area of land which can be allotted under the closer settlement provisions of the Crown Lands Act. The Government have found themselves in recent years confronted with a real difficulty in connection with the purchase and subdivision of land for closer settlement. Only last year the Government were offered the Moy Hall Estate. Even had we been able to purchase it at the price fixed by the Land Board we would not have been able, according to the reports of the Land Board and the Surveyor-General, to allot the land in living areas to the settlers under the provisions of the Crown Lands Act as it was then and is now. This amendment will make it possible for the Government to purchase estates such as that and let them in living areas. As a matter of fact, had the Government purchased that estate when it was offered we would not have been able to allot it until the passing of legislation such as this. It was contingent upon the estate not being cut up into more than a certain number of blocks that the Surveyor-General made his recommendation.

Mr. Reidy—The contention is that £4,000 worth of land is not sufficient for a man to making a living?

The COMMISSIONER of CROWN LANDS—Yes, that is definitely the contention under the existing order of things. In many cases the Government cannot purchase land and allot it in living areas.

The Hon. L. L. Hill—You are dealing with the unimproved value?

The COMMISSIONER of CROWN LANDS—Yes.

Mr. Reidy—The high price of land may have no relation to the unimproved value.

The COMMISSIONER of CROWN LANDS—When the Government purchase an estate for closer settlement the unimproved value of that land is the value of the land less the value of the improvements on it. If the Government are not able to allot repurchased estates in living areas they must do one of two things. They must retire from the field of repurchasing land for closer settlement or enact provisions which will enable the Land Board to make allotments in living areas. Contingently upon the passing of this Bill we shall bring down later this session an Act to consolidate all the Acts dealing with Crown lands administration. That is one of the reasons why this measure has been brought down early in the session. There are one or two other Bills which I am bringing down early for the same purpose. I move the second reading.

The Hon. L. L. HILL secured the adjournment of the debate until August 7.