

MARLBOROUGH LAND DISTRICT.

Recommendations are made on each individual case, but include—Remissions of rent and interest; reductions in capital on mortgage; revaluation of certain farms indicated; additional advances on current account; postponements of rent and instalments; postponed or reduced rents to be recovered if lessee sells at a profit; grouping of sections and rearranging of mortgages.

NELSON LAND DISTRICT.

Summary.

(a.) A postponement of all rent, interest, and instalment excepting perhaps interest on current account for any period during the currency of the lease or mortgage. That mortgages be extended for the period of postponement. Short postponements to be reviewed periodically. That where soldiers paid too much for their land the mortgages be reduced on revaluation and corresponding reduction in arrears be made. In cases of second private mortgages, Government to take power to reduce them. That arrears of interest and instalments be not written off, but that settlers be given seven years in which to pay same.

(b.) That if Government decides that failures have to leave the farms, it should devolve on the Government to find employment in some other vocation than farming.

Extended Report.

This question, as we have stated, presents very grave difficulties. In regard to those coming under (a), we are of opinion that everything possible should be done to keep the men on the places. This may be done, we suggest, by in all cases a postponement for a minimum period of one year of all interest, rents, and instalments due under the mortgages to the Government, excepting perhaps interest on current accounts relating to advances for stock and implements.

That the interest, rent, and instalments accruing for this period be met by extending the term for repayment of the mortgage for an additional year. The object of this suggested postponement is to enable the soldier settler to have the full benefit of the revenue produced by his farm for that period, so that he may be in a position to improve and develop it, and thus make his place a greater revenue-producing asset. Of course, in a number of cases it may be found that postponement for one year is not sufficient, but we do not consider that more than this period should be granted in the first place, so that the Government may be in a position to judge at the end of the year whether the settler has derived any benefit from the postponement and whether he is deserving of a further term. An inspection to determine this could be carried out, we suggest, by the officers of the Crown Lands Department, with perhaps some additional assistants; who could visit and report on the farms at the expiration of the first twelve months. In brief, the postponement would mean that a man would have eighteen months to find interest and instalments for six months.

Then again, in the cases where the settlers have paid for their land a sum in excess of the value, we suggest that the only course open is to have a revaluation of the properties, and the capital value written down to the amount of such revaluation, with a corresponding reduction in mortgages, which would mean also that the arrears of interest and instalments would have to be reduced in proportion also. This would, of course, result in a dead loss to the Government, but under the circumstances there does not appear to be any other remedy.

In regard to the large number of properties on which there are second mortgages, it is of course obvious that they must be dealt with in a similar manner, both in regard to reduction of capital and the postponement of interest. Special legislation would have to be brought down dealing with the matter, and empowering the Government to reduce the principal of all second mortgages proportionately to the amount written off by the Government, and making it unlawful for the mortgagees to call up any interest during the period of postponement on the Government mortgage, and lengthening the term of such second mortgages accordingly. This may appear a handicap on second mortgagees as a whole, but in the majority of cases they represent money left on by the vendors, who have been only too well paid for the properties, so that it is only right that they should bear a proportion of the loss, and that it should not all fall wholly on the shoulders of the Government.

Now, in regard to the amounts owing for arrears of interest and instalments, we do not think that the Government should write these off. If that were done it would mean that the failures would be profiting at the expense of the man who by hard work and industry and capability has made a success of his farm. Rather we suggest that a period not exceeding, say, seven years be allowed for the payment of all arrears of interest, &c., and that a nominal rate of interest also be charged on such arrears, for the reason above stated.

If assistance such as we have suggested be given to settlers who come under heading (a)—i.e., those whom we have classed as temporary failures—then if they look after their farms and work hard and conscientiously the great majority should “make good.” In regard to the men classed as successful and partially successful, we suggest that in all fairness to them, and in recognition of their hard work, they should be granted the same facilities as the others if they care to apply for it.

These remarks apply especially to those who own orchard properties, to whom we have earlier referred. Although many of them are classed as successful, having so far paid their way, yet we valued these properties as orchard properties under normal conditions and normal markets, and if the bottom falls out of the apple-markets, as seems quite probable, the places will be worth next to nothing as revenue-producing concerns.

Now, regarding those coming under heading (b), those whom we have classed as permanent failures, it is very hard to say what is the best course to adopt. In calling them permanent failures we were of opinion that they would not “make good” on the properties on which they now are. Some of them, about thirty-five in number, could possibly “make good” in other directions. Some are tradesmen who perhaps could be set up in their trades; others perhaps could do better on a much