

Subsection 2.—The Veterans' Land Act

Provision is made in the Act to assist three main groups or classes of veterans:—

- (1) Veterans who have had practical farming experience and who wish to resume farming as a full-time occupation.
- (2) Veterans who have reasonable assurance of steady dependable income, as for instance in industry, commerce, or in the field of agricultural employment and who wish, in addition, to obtain a small block of productive land, preferably an acre or more in a semi-rural or rural area outside high-taxation districts.
- (3) Those who have had practical experience in commercial fishing whose normal occupation is in that industry and who wish to obtain a small holding settlement coupled with commercial fishing in coastal and inland areas where commercial fishing is a recognized industry.

Provision is made in the Veterans' Land Act whereby a substantial part of the cost of each establishment is borne by the State, except in the case of a mortgage loan on land already owned by a veteran. Past experience has shown that the average veteran, operating under typical conditions, cannot be expected to successfully cope with the repayment of debt representing approximately the full cost of establishment. Further, the average veteran is not possessed of sufficient capital to enable him to establish at the outset of rehabilitation, the margin of equity generally recognized as essential to the soundness of land settlement credit operations. The Act recognizes these facts and brings within the vision of such veterans debt-free ownership of homes at relatively low annual cost.

The Director of the Veterans' Land Act may contract with any veteran who has been officially certified to be qualified to participate in the benefits of the Act, for the sale to such veterans of land and permanent improvements thereon, live stock, farming equipment or fishing gear; up to a total cost to the Government of \$6,000. Not more than \$1,200 of the \$6,000 may be used for the purchase of such chattels. The veteran must pay in advance 10 p.c. of the cost of land and improvements—plus any cost in excess of \$6,000. He then contracts to pay two-thirds of the cost to the Government of land and permanent improvements only, on an amortization plan over a period not exceeding 25 years, together with interest at $3\frac{1}{2}$ p.c. per annum.

By the terms of this settlement contract, the veteran is relieved at the outset of $23\frac{1}{2}$ p.c. of the cost of the land and buildings and 100 p.c. of the cost of the chattels supplied to him by the Director. It is provided, however, that the veteran may not sell or otherwise dispose of the land and buildings or the chattels within a period of 10 years following the date of his agreement and realize for his own benefit the difference between the cost and the amount which he contracts to pay. At the end of 10 years, if he has complied with the terms of his agreement, he will be granted title to the chattels, and title to the land and buildings when he has completed payment of the balance owing under the terms of his agreement.

The Director may also assist officially qualified veterans who wish to resume farming operations on land already owned by them and who want to borrow funds to readjust their debts or re-equip or improve their farms. In such a case the advance is limited to \$4,400 with interest at $3\frac{1}{2}$ p.c., and to not more than 60 p.c. of the approved value of the land. No more than \$2,500 of the loan may be used for the purchase of live stock and farming equipment, and the loan for this purpose must not exceed 50 p.c. of the approved value of the land. Such assistance is repayable in full but does not affect the right to a re-establishment credit.