REPUBLIC OF SOUTH AFRICA.

REPORT

OF THE

SELECT COMMITTEE

ON

SUBDIVISION OF AGRICULTURAL LAND.

Printed by Order of the House of Assembly.

JUNE, 1964.

[S.C. 9—'64.]

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LIST OF WITNESSES.

Name of Witness	Page.
De Swardt, S. J. J., Secretary for Agricultural Economics and Marketing	59-70, 72-75, 77-87.
Henning, Dr. P. D., Chief Director (Policy), Department of Agricultural Technical Services	1-25.
Spies, D., Secretary for Lands	25-38.
Van Wyk, S. P., Assistant Chief, Division of Agricultural Economics Research, Department of Agricultural Economics and Marketing	70-78, 80, 85-86.
Vorster, Dr. P. W., Secretary for Agricultural Technical Services	39-58.

ORGANIZATIONS AND PERSONS WHO SUBMITTED REPRESENTATIONS ON THE SUBJECT OF THE COMMITTEE'S ENQUIRY.

Agricultural Economics and Marketing, Secretary for.
Barclays Bank, D.C.O.
Deeds, Chief Registrar of.
Justice, Secretary for.
Land and Agricultural Bank of South Africa.
Lands, Secretary for (*see* Appendix).
Land Surveyors of South Africa, Central Council of.
Natural Resources Development Council.
Pretoria, University of.
Provincial Administrations:
    Cape of Good Hope.
    Orange Free State.
    Transvaal.
Supreme Court of South Africa, Master of the, Pretoria.
Surveys, Director-General of.
United Municipal Executive.
,,Volkskas Beperk''.
Wool Growers Association of South Africa, National.

ORDERS AND ANNOUNCEMENT.

17th February, 1964.

ORDERED: That a Select Committee be appointed to enquire into and report upon the question of the uneconomic subdivision and alienation of agricultural land, the Committee to have power to take evidence and call for papers and to have leave to submit legislation providing for control over such uneconomic subdivision and alienation.

24th February, 1964.

ANNOUNCEMENT: That Messrs. S. P. Botha, Keyter, G. P. Kotze, Martins, Dr. Moolman, Messrs. S. L. Muller, Streicher, Taurog, Mrs. S. M. van Niekerk, Messrs. Vosloo and Wentzel had been appointed members of the Committee.

27th April, 1964.

ORDERED: That, in terms of Standing Order No. 188, leave be granted to Select Committees to sit during the sittings of the House.

REPORT

Your Committee begs to report that it has considered the subject of its enquiry and has taken evidence, which it submits herewith. Owing to the advanced stage of the session and the fact that morning sittings have already commenced, your Committee finds it will be unable to complete its enquiry before the prorogation of Parliament and accordingly requests the House to order its discharge from further service this session.

In view of the complex nature of the subject matter of the Committee's enquiry, your Committee feels that its deliberations will of necessity be of a comprehensive nature. In order to avoid any undue delay your Committee therefore recommends that the Government should consider the advisability of appointing a Commission, composed of the members of your Committee, to continue its enquiry during the recess.

H. C. A. KEYTER,
Chairman.

Committee Rooms,
House of Assembly,
11th June, 1964.

[S.C. 9—'64]

PROCEEDINGS

Thursday, 27th February, 1964 (*at* 11 *a.m.*).

PRESENT:

Mr. S. P. Botha.	Mr. Streicher.
Mr. Keyter.	Mr. Taurog.
Mr. G. P. Kotze.	Mrs. S. M. van Niekerk.
Mr. Martins.	Mr. Wentzel.

Clerk read Order of the House, dated 17th February, 1964, and Mr. Speaker's announcement of 24th *idem*, constituting the Committee.

Clerk intimated that the Committee would proceed to the election of a Chairman.

Whereupon, on the motion of Mr. Wentzel,

Resolved: That Mr. Keyter be Chairman.

The Committee proceeded to the consideration of the subject of its enquiry.

Mr. D. Korsten, Parliamentary Officer, Department of Lands, was in attendance.

The Committee deliberated and at 11.40 a.m. adjourned *sine die*.

Wednesday, 6th May, 1964 (*at* 9.30 *a.m.*).

PRESENT:

Mr. KEYTER (Chairman).

Mr. S. P. Botha.	Mr. Streicher.
Mr. G. P. Kotze.	Mr. Taurog.
Mr. Martins.	Mrs. S. M. van Niekerk.
Mr. S. L. Muller.	Mr. Wentzel.

The Committee resumed the consideration of the subject of its enquiry.

The Committee deliberated and adjourned at 9.45 a.m. until Thursday, 21st May, at 9.30 a.m.

Thursday, 21*st May*, 1964 (*at* 9.30 *a.m.*).

PRESENT:

Mr. KEYTER (Chairman).

Mr. G. P. Kotze.	Mr. Taurog.
Mr. Martins.	Mrs. S. M. van Niekerk.
Dr. Moolman.	Mr. Vosloo.
Mr. S. L. Muller.	Mr. Wentzel.
Mr. Streicher.	

The Committee resumed the consideration of the subject of its enquiry.

Dr. P. D. Henning, representing the Department of Agricultural Technical Services, was examined.

The Committee deliberated and adjourned at 12.5 p.m. until Thursday at 9.30 a.m.

Thursday, 28*th May*, 1964 (*at* 9.30 *a.m.*).

PRESENT:

Mr. KEYTER (Chairman).

Mr. S. P. Botha.	Mr. Taurog.
Mr. G. P. Kotze.	Mrs. S. M. van Niekerk.
Mr. Martins.	Mr. Vosloo.
Dr. Moolman.	Mr. Wentzel.
Mr. Streicher.	

The Committee resumed the consideration of the subject of its enquiry.

Mr. D. Spies, Secretary for Lands, was examined.

The Committee deliberated and adjourned at 11.5 a.m. until Thursday at 9.30 a.m.

Thursday, 4*th June*, 1964 (*at* 9.30 *a.m.*).

PRESENT:

Mr. KEYTER (Chairman).

Mr. S. P. Botha.	Mr. Taurog.
Mr. G. P. Kotze.	Mrs. S. M. van Niekerk.
Mr. Martins.	Mr. Vosloo.
Dr. Moolman.	Mr. Wentzel.
Mr. S. L. Muller.	

The Committee resumed the consideration of the subject of its enquiry.

Dr. P. W. Vorster, Secretary for Agricultural Technical Services, was examined.

The Committee deliberated and adjourned at 11 a.m. until Thursday at 9.30 a.m.

Thursday, 11*th June*, 1964 (*at* 9.30 *a.m.*).

PRESENT:

Mr. KEYTER (Chairman).

Mr. S. P. Botha.	Mr. Taurog.
Mr. G. P. Kotze.	Mrs. S. M. van Niekerk.
Dr. Moolman.	Mr. Vosloo.
Mr. S. L. Muller.	Mr. Wentzel.
Mr. Streicher.	

The Committee resumed the consideration of the subject of its enquiry.

Messrs. S. J. J. de Swardt, Secretary for Agricultural Economics and Marketing, and S. P. van Wyk, Assistant Chief, Division of Agricultural Economic Research, Department of Agricultural Economics and Marketing, were examined.

The Committee deliberated.

The Chairman submitted a draft Report, which was considered and adopted.

On the motion of Mr. Wentzel,

Resolved: That the Chairman present the Report together with the evidence taken.

The Committee rose at 11.30 a.m.

MINUTES OF EVIDENCE

Thursday, 21*st May*, 1964.

PRESENT:

Mr. KEYTER (Chairman).

Mr. G. P. Kotze.	Mr. Taurog.
Mr. Martins.	Mrs. S. M. van Niekerk.
Dr. Moolman.	Mr. Vosloo.
Mr. S. L. Muller.	Mr. Wentzel.
Mr. Streicher.	

Dr. P. D. Henning, Chief Director (Policy), Department of Agricultural Technical Services, examined.

1. *Chairman.*] Dr. Henning, could you explain to the Committee in broad outline the objects of legislation relating to the uneconomic subdivision of agricultural land?—(*Dr. Henning.*) The question of the subdivision of agricultural land into uneconomic units is, as you know, a very difficult problem. The extent of this problem is not known precisely. The basis for determining an economic farming unit has to be laid down first, in other words, what amount should in actual fact be regarded as being a living wage for the farmer and his family. You will notice from the Report of the Interdepartmental Study Group on the Uneconomic Subdivision of Agricultural Land that it was not one of its terms of reference to make investigations in this regard, but we nevertheless felt that we had to do something about it. The family income of R1,500-R2,000 mentioned in the Report will therefore have to be further investigated. This income grouping was arrived at by means of certain statistics at our disposal, as well as a rough test survey conducted by our extension service, with the aid of the home economists in particular. I want to emphasize once again that there is still a great deal of investigation and study to be undertaken in this regard, but I feel that we shall not be far wrong if we use these data as a basis. Up to now nobody has tried to determine the extent of uneconomic farming units in our country. I feel that it is a more comprehensive problem than is generally realized. As a member of the Natural Resources Development Council I

often deal with applications for the subdivision of agricultural land in controlled areas, namely the Pretoria-Witwatersrand-Vereeniging complex and the Free State Goldfields, which have been proclaimed controlled areas in terms of the Natural Resources Development Act. Before a decision is taken, the applications are thoroughly investigated. In the past two years we received 68 of these applications, and if we accept the basis laid down in the Report, 43 of these would have resulted in uneconomic farming undertakings had they been granted. This gives an indication of what could happen. We occasionally receive requests from the Department of Lands to investigate consolidation, particularly under the new Act, and subdivision. In this regard I have knowledge of 70 cases that have been investigated by my Department and 36 of which were uneconomic units. If we accept the basis set out in the Report as correct, then the number of uneconomic units varies from 50 to 60 per cent, according to the information we have at our disposal. I do not know whether this estimate applies throughout the Republic, but it gives an indication of how serious the problem really is. We know that our farmers have many difficulties to overcome, but we cannot build up a vigorous farming population if this basic requirement is not fulfilled, namely, that the unit on which a farmer subsists has to be an economic unit. If the farmer's managing ability has reached a certain standard and if he farms in the correct manner, he should be enabled to make a reasonable living. We have to contend with a very difficult problem here. The Committee will notice from the facts in the Report that it is very difficult to determine a subsistence level for our farmers. I want to make it clear that where family income per minimum unit size is mentioned in the Report, it does not mean the average income of farmers in general, but the lowest level at which a farmer can still subsist. This will therefore be the approximate income of the small-holders. The Committee will notice from the graph in the Report that the income of a farmer compares reasonably well with that of an artisan. A large proportion of our farmers have an income level which is lower than the R1,500 we have laid down as a minimum. It is therefore very difficult to determine the minimum income, for there are various factors influencing the matter. Although a series of factors, for instance the farmer's managing ability and the soil potential, determines what the farmer's income is going to be, the yield per unit of land area is the final result in which all these factors are embodied. There is no easy method of measuring a farmer's potential. If one takes into account the average yield over a period of

a few years, however, one can determine to what extent the farmer has utilized the soil potential of his farm. We should therefore use the yield per unit of land area as a norm when determining what an economic unit is. We have made quite a number of surveys of this nature with the aid of the Department of Agricultural Economics and Marketing. The larger part of the country has already been covered, although there are regions in Natal and the Western Province where further investigations will have to be made. We already have a very good indication as regards the carrying capacity of the land in agricultural areas and extensive stock-farming areas, provided the units are properly managed. If one compares the yields of farms of different maize farmers in a certain district, one will find that one group has a yield of approximately 10 bags per morgen, a second group 15, and a third one 20 bags per morgen. In any district one finds farmers who fall into the following categories, namely, the excellent farmer, the good farmer, the average farmer and the bad farmer. Therefore the norm should not be determined according to the capability of the excellent farmer or the bad farmer, but according to that of the average farmer. I must admit that our norms in this regard still have to be perfected, but if we work on this basis, we have sufficient information at our disposal to enable us to determine whether or not a certain farm is an economic unit. In actual practice surveys in this regard are already being made. The Department's extension officers go to farms and talk to the farmers to obtain certain specific information on prescribed questionnaires. Because of their knowledge of the respective regions, they are able to give us this information. Using the carrying potential of the soil as a basis, we then make the economic analysis. In this manner we can determine the potential nett income of the farmer on a specific farm if he is an average farmer and normally avails himself of the technical aids that are available. On the basis of this information the norm can be determined approximately. The system is practicable, although one will, of course, still have to contend with certain problems in the course of determining such a norm. To start with, therefore, the norm for an economic standard of living has to be established in order to determine, on the basis of the available information, what is an economic farming unit. One cannot lay down a general norm for all the farms in a region, except in the case of an area where uniform conditions prevail. Very few such areas are to be found in our country. Each farm has to be examined on its own merits to determine whether or not, with due allowance for all the

factors concerned, it can be regarded as an economic nit. If the subdivision into economic units has to be contrded, a body should therefore be established for doing so.

2. *Mr. Wentzel.*] Is it possible to determine an approxiate percentage in respect of the extent to which the pernal factor plays a part in the determination of an economic frming unit?—It is not possible to determine the human factr in terms of percentage. It is indeed possible to determine t in an indirect manner. If one compares the yield per anum of the farms of two neighbouring farmers, *i.e.*, farm the potential of which is more or less the same, it will to a lrge extent be possible to attribute the difference in yield t the human factor. If the yield of a particular unit is tted against the norm, it is possible to deduce whether a farmr is a good or a bad one. There is no direct way of determiing the personal capability of a farmer. The best way of mesuring this, is to ascertain what a farmer gets out of a rm under specific conditions. In many of these cases the Deartment has reasonable norms at its disposal according to wich the average potential of a particular farm can be determied, and from the results obtained by the farmer it can the be deduced whether he is a bad, an average or a good farme.

3. Should the human factor then be disregarded entely when one determines what is an economic unit?—No, the human factor is measured indirectly in terms of the reults obtained.

4. An economic unit should be laid down by legislaon, and here the human factor plays a part. One would therore have to take the average yield as a basis, seeing thatthe human factor as such cannot be determined by legislatio?—I agree that one should take the capacity of the aveage farmer as a basis. However, this will have to be calculted on the basis of a series of basic particulars.

5. In determining an economic unit, was provision madfor the possibility of improvement of the carrying capacity of the land?—We know that there are a series of basic thgs that a farmer has to take into account if he wants to hae a good maize crop. The potential of his soil, for instance, s a basic consideration. Furthermore, we expect the average faner to have a reasonably good knowledge of the available techological aids. We know that if a farmer uses hybrid seed he has a yield of 15 to 20 per cent higher than he would hve had if he had not used acclimatized or hybrid seed. We lso know that a farmer should have a proper system of fertiling as well as a system of controlling weeds. If a farmer fifils these basic requirements, then the average potential o a

particular piece of land is, say, x bags of maize per morgen over a number of years. These basic factors also apply in the case of other field crops and of stock-breeding, or a combination of the two. The application of these fundamental requirements may present difficulties in the case of poultry farms in peri-urban areas. This is really an artificial type of farming—all it requires is a site. In such a case our point of view is to see what type of farming is the natural one in the particular region. It is preferable, therefore, that the size of an economic unit should be determined in this way.

6. Are you of the opinion, then, that if a farmer, for instance, wanted to set up a poultry farm in a particular region, you would not make a grant if that region were more suitable for the cultivation of maize?—The matter should not be seen from the point of view of the individual only. To-day I am the owner of a piece of land, but in a few years' time another farmer may take over the farm. The matter can only be decided by determining for what type of farming the region is suitable.

7. *Mrs. Van Niekerk.*] In the Report of the Study Group, R1,500 to R2,000 was suggested as an income that would represent a living wage for the small-holder. Seeing that this estimate was based on data which in certain cases were compiled even as far back as 1955, are you not of the opinion that it should already be regarded as outdated?—It is for that reason that 10 per cent has been added to the figures. I wish to say once again that it was not a term of reference of the study group to investigate that aspect. We have only gone into the matter to get an indication in this regard. If you would look at the graph just after page 14 of the Report, you would see that 50 per cent of our farmers are below the income level of R2,000 per annum. There are of course many farmers who farm on economic units, but who nevertheless fall into this category, because their knowledge of farming is possibly insufficient and their managing ability is such that they are unable to utilize the potential of their farms to the full. If we set the norm too high, a large number of farmers will never attain it. The norm should therefore not be too high. We think that if the income of the small-holder were compared with that of the artisan, we would have a more or less reasonable comparison. I want to make it very clear that these data should not be regarded as final and that a further intensive survey will have to be made, as this figure is the basis according to which we are going to calculate whether or not a farm is an economic unit.

8. You have said that a comparison between the income

of a small-holder and that of an artisan is a reasonable comparison. When this comparative calculation was made, did you take into account the fact that an artisan can make use of the means of conveyance of the State or of a municipality, while these means of conveyance are not available to a small-holder?—In the case of a farmer an allowance of about R200 per annum is made in respect of transport. However, this allowance is only in respect of the personal use of his vehicle. In this respect, therefore, the comparison between the artisan and the small-holder does not apply. This amount represents farming expenses and it is brought into account when the farmer's nett income is determined.

9. But no farmer can be "mobile" if he has no means of conveyance at his disposal?—For farming purposes the farmer has to have means of conveyance at his disposal. It is not brought into account here, as it falls under the item "farming expenses".

10. In the assessment of family expenses, was the cost of the education of a farmer's children as well as the cost of hostel facilities, etc., taken into account?—In Table 3 on page 19 of the Report the Committee will see which items are regarded as family expenses. Under the annual family expenses provision has also been made for the education of a farmer's children. I want to emphasize once again that it was not one of the terms of reference of the study group to determine an economic unit. The study group's terms of reference were mainly to make recommendations on what measures had to be taken for combating the uneconomic subdivision of land and whether legislation was necessary for controlling the evil. The position as reflected in the Report is therefore by no means final.

11. In the Report a great deal of emphasis is laid on the duties of extension officers. Are you satisfied that the Department has sufficient extension officers with the necessary qualifications and experience for doing this type of work?—May I explain the composition of our Department to the Committee? There are seven farming regions, with a director in charge of each region. He is assisted by two assistant directors. One assistant director is responsible for soil conservation and extension and the other for research. Each region in turn is divided into five or six sub-regions, each with a senior extension officer in charge, who exercises control over the extension officers on the sub-region. The local committees mentioned in the Report do not comprise extension officers only. A member of the Soil Conservation Committee and an experienced appraiser, preferably from the

Land Bank, also serve on these committees. The senior extension officer in charge occupies a senior post and would not have reached that position if he did not have the necessary background, ability and experience. For that reason then we said that reports of local committees had to be sent through the office of the regional head. We do not want people who do not have the necessary maturity and experience to have the final say in the matter. From the regional head down all documents are sent to the central controlling body. All interested bodies and departments will be represented on this board, *inter alia*, the Department of Agricultural Economics and Marketing, the Department of Agricultural Technical Services, the Department of Lands and the Land Bank, and then there are also two representatives nominated by the South African Agricultural Union. In the initial years in particular we shall have difficulties to contend with, but on the strength of the practical experience we have gained in the past two years, I feel that it is in fact practicable to determine economic farming units. On the strength of circumstantial evidence and particulars I have already submitted to you, the study group is convinced that the question if the uneconomic subdivision of agricultural land is definitely an evil. I wish to make it very clear that we shall never be able to build up a strong and sound farming community if this evil is not kept in check. Just as is the case with any new undertaking, adjustments and improvements will have to be made in course of time. Our attitude is that if we made a mistake in determining an economic unit, we should rather make it on the positive side, that is, the farm should rather be slightly too large than too small. There are of course compensatory factors in this regard. Our technique, for example, will improve over the years, and as a result income will rise. The yield has already increased in the case of maize. At the same time there is a rise in the production costs as well as in the standard of living of the farmer. In this regard there are two factors that play an important part: firstly, the improvement in technological development, and, secondly, the fact that farmers realize to-day that they cannot farm without having the necessary technical background.

12. On page 48 of the Report it is recommended that a purposeful research programme should be launched to bring the technical, economic and socio-economic norms necessary for determining economic farming units, up to the desired standard. Could you explain what this is aimed at?—This is something which really belongs under the Department of Agricultural Economics and Marketing. This research programme

relates to the question of surveys. Throughout the countrywe have study groups that are trying to determine the queson of yield norms in collaboration with the farmers. As I ave already said, there are still certain regions, for instanc in Natal, which are not sufficiently covered by surveys. Tere are certain types of farming, as well as the problem of mnpower, which the study group has to investigate further.

13. *Mr. Vosloo.*] Any legislation passed in this regard ill, as you will appreciate, naturally be of a drastic nature as it would restrict the farmer's freedom?—Yes, but it is forhis own benefit.

14. In the Report a great deal of emphasis is laid uon the fact that, when an economic unit is being determine it is not possible to determine the human factor precisely Is that really the case?—When it is stated in the Report iat it is not possible to determine the human factor precisly, what is meant is that we cannot determine it in terms a figure. We are often asked by the Department of Land to ascertain whether a certain farmer is really interestein farming and complies with particular requirements. Anher significant factor in determining a farmer's success is the art played by his wife. The criteria according to which we deermine a farmer's managing ability are of course not perfct, but they help to give us a general indication of the farmr's managing ability.

15. According to the recommendations in the Report,an economic unit will have to be determined on the basi of the ability of the average farmer, as well as the yield ofan average unit?—A unit may have a high potential, but i it is managed by an average farmer, the potential of the nit will only be utilized to an average extent.

16. In doing that, would one not tie the entire agricultral economy to a basis of averages?—No, that is exactly wat we do not want to do. The average is the lowest acceptble standard. We want the managing ability of the average armer to rise to that of the good farmer. If the managing abity of the bad farmer is taken as a basis, the farms will ave to be altogether too large. If we accept the fact that 50 per cent of our farmers have an income which does not reach he level mentioned, these farmers will just not be able to mke a living. The income level should be reasonably high, but it should be such that we keep the majority of our farmers in the rural areas. I feel that this will inspire the bad faner to brush up his managing ability and his knowledge of faming.

17. You say that it is undesirable to take the bad faner

as a basis, but I also foresee undesirable things if the average farmer is used as a criterion. I am thinking of the case of the intelligent young farmer who has not yet had an opportunity of proving his managing ability. He may be able to push up the income of a certain unit much higher than may be anticipated in terms of the decision of a board, in other words, he may be able to make an economic unit out of an uneconomic unit?—If one compares this hard-working young farmer with the average farmer, his income on the same unit will be much higher than that of the average farmer.

18. What effect would legislation of this nature have on the price of agricultural land?—The price of agricultural land should drop. In such a case the utilization of machinery should be taken into account. The small farm is usually overcapitalized. This causes a rise in production costs. On a small farm it is not possible for a farmer to utilize his managing ability and the potential of his aids to the full.

19. The price of agricultural land would therefore tend to drop?—One of the greatest evils we have to contend with to-day, is that the prices of our agricultural land are at present much higher than the productive value of that land. It is difficult to exercise control over this. The farmer is an optimist and calculates the potential of his farm according to the yield in a good year. He does not make allowance for a normal phenomenon such as drought, for example. A farming enterprise has to be adapted to the conditions prevailing in the area concerned. I think that the prices of agricultural land in our country are too high, and if they are not controlled, it may make agriculture very unstable as a means of subsistence or an industry. A few years ago, for instance, when there was a tremendous increase in the price of mohair, exorbitantly high prices were paid for farms. Such a state of affairs cannot be termed rational action. The uncertain climatic conditions in our country should be taken into consideration when the price of a farm is determined. Therefore I want to repeat that the present prices of land are out of proportion to the productive value thereof.

20. *Mr. Kotze.*] If we are going to draft a law to combat uneconomic units, we should also take into consideration that in certain regions products are cultivated which do not thrive there, and which are therefore not the correct products to cultivate in those specific regions?—If by means of an analysis of the soil, etc., we have established that the wrong product is being cultivated, we tell the farmer about it and we point out to him that the cultivation of the correct product could convert his farm into an economic unit. It is for this reason

that it is so important that the people who have to determine whether or not a farm is an economic unit, should be people who have not only the technical knowledge, but also the necessary practical knowledge. It is also for this reason that the two deciding bodies, namely the local committee and the board, should be composed of all interested parties. I feel that a composition of this nature is essential, even if my opinion differs from the proposed Bill in this regard. The judgment of the responsible parties will, of course, improve as they become better acquainted with the subject as a result of more detailed particulars, etc., and therefore it will later be possible to determine an economic unit more accurately.

21. *Dr. Moolman.*] You have said that the uneconomic prices being paid for agricultural land are a great evil in our country. Do you not think that it is a good thing if a well-established farmer who has already consolidated his own position purchases an uneconomic unit at, say, a high price and then adds it to his existing land as an economic unit?—That may be so, but in this way the small-holders are pushed out, since they are not able to compete with the well-established farmer. In this regard I wish to recommend that the Committee read the January, 1963, edition of *Agrekon*. There Mr. S. P. van Wyk, Chief Professional Officer, Division of Economics and Marketing, explained the various factors which should be borne in mind when the size of an economic farming unit is determined. The State should enable a farmer who farms on an uneconomic unit to convert his farm into an economic unit. We are not so much concerned with the well-established farmer. The central problem we are concerned with here is the creation of uneconomic units. By converting these units into economic units we achieve the same object as that which you have in mind—the only difference is that it is done on the level of the small-holder. I know of many small-holders who are more concerned about applying modern techniques such as sound soil conservation principles, etc., on their farms than is the case with many well-established farmers. That again depends on the human factor, of course.

22. In the comparative table of annual family expenses on page 19, I notice that 509 urban families with an average of 3.8 persons per family and 51 farming families with an average of 4 persons per family were taken as a basis. Do you not think that because of the fact that the calculation was restricted to only 51 farming families, the average of 4 persons per family may not be quite correct?—You may be correct. I have already said that this aspect will have to be investigated further. We made a random test and the results

appearing in the Report are based on the findings of this random test.

23. *Mr. Martins.*] How does your Department distinguish between agricultural land and the peri-urban small-holdings?—If these rural residential areas form part of the municipal planning, they are regarded as peri-urban small-holdings. This is a matter that still has to be further investigated. I know of certain cases where complaints were received that fine agricultural land in rural areas was being converted into small-holdings. This is definitely an evil. In the Pretoria-Witwatersrand-Vereeniging complex alone approximately three-quarters of these small-holdings are unoccupied. In this way agricultural land is utilized ineffectively. Perhaps I am putting it rather strongly when I say that in many cases we are here creating rural slums. Why should people be permitted to sit on units of 25 morgen if they are not being used? For somebody who merely wants a place to live, $2\frac{1}{2}$ morgen are sufficient. If he wants more land, allow him to buy two of these units. In that case one would be able to control the matter. At present there is no control. In three of the provinces there is provincial legislation which stipulates that rural land may not be subdivided into units smaller than 25 morgen. In our view this stipulation has no value. In the first place one has to accept here that it means that everybody could go and select 25 morgen in any place and farm on it—something we, of course, simply cannot endorse. It is an absurdity. With the possible exception of sugar cultivation, there are very few types of farming, even where use is made of irrigation, where it is possible to make a living on units of 25 morgen of fertile land. This is merely an arbitrary figure. From the point of view of utilizing our land and combating the evil of subdivision, it has no significance. The moment one begins with subdivision of this nature, the price of land increases. There is talk that the size of these units is to be increased to 50 morgen, but basically I cannot even agree with this. In certain cases a farm of 50 morgen will perhaps be large enough, but it depends upon the potential of the soil, which varies from region to region. In the Pretoria area, for instance, a farm of 50 morgen will be altogether too small.

24. You said that the Natural Resources Development Council received 68 applications for subdivision, of which 60 per cent were regarded as uneconomic units. Will these duties in future be entrusted to the proposed board?—When this land forms part of a municipal complex in peri-urban areas, it has to be controlled by the town council concerned. In the

case of agricultural land for farming purposes, i.e., lad on which the farmer has to make a living, the Governmet Departments involved, however, should have control. I hve already said that special technical and practical knowlege is necessary in this regard. In cases of this nature the N.RD.C. allows itself to be led virtually completely by the recommendations of the Department of Agricultural Economic and Marketing and the Department of Agricultural Tecnical Services. This is a matter of principle and I am of the oinion that decisions concerning agricultural land should res with the Minister concerned. The study group agreed that it hould not really be the function of the N.R.D.C. to take deisions about agricultural land. Such a board would indeed benecessary for doing the broad "blanket" planning, for instane, for indicating what land should be utilized for agricultura purposes and what land for industrial purposes. As far asI am concerned, it makes no difference whether decisions aregiven by the Minister of Agricultural Economics and Marketng or by the Minister of Agricultural Technical Services. Th activities of the two Departments are so intertwined that i does not really matter. In principle the decision should be gien by that Minister who normally has jurisdiction over this secific aspect of our national economy. In the Report we recommended that the decisions be taken by the Minister of Agrultural Economics and Marketing. However, I could also avance reasons why the decisions should rather be taken by the Minister of Agricultural Technical Services. A large part of te preliminary work is done by our Department. In my opiion it could come under the control of either of the two Mirsters, seeing that both Departments do their best for the welfae and interests of our farming population.

25. You said that if one wanted to determine the sizeof an economic unit you were also to a certain extent concerne with the managing ability of the farmer. Is the determinaion of the size of an economic unit not to a very large extent abject also to the capital investment made, especially in the ase of a farmer who is helped by the State to obtain land?—Ye, that is definitely a very important factor. If the capital expenditure is in relation to the production value of the unit, t will not matter if, relatively speaking, a high price is paid or the unit, as that land has the potential to enable the famer to farm there economically.

26. In future when the State enables a farmer toobtain land, will it not, in fact, also be the duty of the State o provide that person with the required implements, etc.?—Yes, it will all be taken into account. Although I have not ye made

a thorough study of the draft Bill, there is one provision that I cannot support, namely that the State should be exempted from the restrictions which would be placed on the creation of uneconomic farming units. The State to-day is a major purchaser of agricultural land, especially in view of its settlement policy. If the State purchases or expropriates land to-day, it should see to it that the portion remaining in the possession of the seller or the portion which is not expropriated is still an economic unit. If the remaining portion is not an economic unit the State should purchase all the land and consolidate it with existing land. Take for example the case of the subdivision of land in connection with the Orange River scheme. In meet the requirements of economic farming units

27. *Dr. Moolman.*] In the surveys which have been made, were the number of owners of small-holdings who are also salaried persons taken into consideration?—Yes, the survey covering this aspect was very comprehensive, and if you look at the list of sources at the end of the Report you will notice that use was made of the Report of the Commission on Small-holdings which was drawn up in 1957. On page 4 of the Report there is a list of the various groups of persons living on small-holdings, namely, pensioners, persons who are full-time farmers on these units and persons who earn their main income in the nearest city or town.

28. Do you think there ought to be two criteria for small-holders, namely one for those who do not have a supplementary income and one for those who do?—I do not think so, because the farm may change hands. One should not only take the present position into consideration. One should also make provision for the future. Take for example the case of a salaried person who owns 50 morgen of land and supplements his income by means thereof. If one day he sells the land as a farming concern, someone who buys the unit and who has no supplementary income will not be able to make a living on it.

29. Were capital appreciation over the years and the improvements made to a farm included in the income of the farmer?—I do not think we made provision therefor, although in our calculations a certain percentage was allowed for capital formation. The standard of living of the farmer increases, but so does our population. The value of the land increases because the income from the land increases, but farming expenses and the farmer's cost of living also increase. We think these two factors will cancel out. For this reason I wish to say once again that if we were to make a mistake when determining an economic unit we should rather make a mistake on the positive side.

30. We are still in an experimental stage. However, I wanted to make certain that in your calculations provision was in fact made for capital appreciation, which is a normal tendency?—The proposed board would have to decide whether this aspect would be taken into consideration when the size of an economic unit is determined. We have only pointed out the factors which could influence the size of an economic farm. The debt ratio, which we put at approximately 50 per cent, is also very important, but this is only to emphasize the influence of those particular aspects. The question of the debt ratio, the price of agricultural land and the term of interest have a tremendous influence on the determination of the size of an economic farming unit. If, for example, one were to reduce the term of interest from 35 years to ten years, it would make a tremendous difference to the size of an economic unit. This is the influence of only one of these factors. The board would have to decide about factors of this nature. We have only pointed out the principles which have to be taken into account.

31. Would it be possible to determine the tendency towards consolidation of small uneconomic units after 1962? You said earlier that legislation was essential; in other words, you do not think that the problem will solve itself economically?—I definitely do not think so. I said earlier that nobody knew how many uneconomic units there really were, but if the Committee were to read the Report of the Commission of Inquiry into European Occupancy of Rural Areas it would notice that more than 70 per cent of the units in certain areas were uneconomic. In certain areas in the Transvaal 50 per cent and more of the units are uneconomic. As we do not have the basic background information, I do not know whether we could determine this tendency. Judging from particulars contained in reports and from experience of cases I have dealt with, I think that the problem will increase and will definitely not solve itself. As a matter of interest I might mention that according to the Department of Lands one property had been divided into 640 units, while the Land Bank dealt with a case where one property had been divided into 1,041 pieces. We have the example of Marico, which is dealt with in the Report of the Commission of Inquiry into European Occupancy of Rural Areas. There is also the example of the farmers along the Molopo, where we are really faced with the problem of subdivision.

32. The improvement of various types of seed and of livestock over the past few years may considerably affect the determination of an economic unit. Do you agree?—We have

scientific data on the basis of which we can calculate what a farmer's production in, for example, the Karoo ought to be if he applies a rational farming system there. When we come to the question of efficiency, then our stock-farming is far behind when it is compared with our agronomy, especially the cultivation of maize. The improvement in our maize production is not attributable so much to territorial expansion as to the fact that the efficiency level has been raised. Take, for example, our country's dairy industry. If one compares the average production per cow with what it could be one finds that it is extremely low. Take the production in the case of our beef cattle. The particulars we have in this connection indicate that the calf percentage is about 50 per cent. Our Department feels that the efficiency level of our stock-farming should be raised so that this industry could compete with agronomy. Why is a change-over now being made in the Free State to the cultivation of maize? The reason is that it is more profitable. From the point of view of a permanent farming undertaking, however, this is fatal. Our norms are not perfect, but I think that with the knowledge that the two departments concerned have at their disposal we shall nevertheless find reasonable rational norms for judging the carrying capacity of the land as well as the potential of the farmer. I wish to emphasize once again that there is not really a separate criterion for each particular factor, but that in the final result the interaction of all the factors contributing towards an economic farming unit should be combined.

33. *Mr. Taurog.*] You said that the standard of production in some of our farming industries was very low. Is this because the farms are too small?—You must remember that our farmers in large areas of the Transvaal, for example, were migratory farmers who only settled there permanently during the past 30 or 40 years. It is a slow process. Furthermore, our farmers are conservative in many respects. To a certain extent this is a good thing, but not when it affects the application of certain modern farming principles. At present the Department is taking steps to make the production of beef more efficient. Perhaps you are not acquainted with all our performance tests. The Department has various performance tests, for example the beef cattle performance test. As the Committee is aware, the turnover or production of beef is very important in the case of beef cattle. We know that under the same circumstances a certain type of cattle is able to produce a greater quantity of beef than another type. At present we are engaged on a performance test for beef bulls by means of which we shall be able to determine the potential

of these bulls for beef production. Our milk recording scheie is another example. It is only on the basis of these data tht one can offer guidance, because one then has fixed norms.I do not think that the technique of our farmers is much poor than that of farmers of other countries, but we must remembr that until 30 or 40 years ago a reasonably large percentae of our farmers were not permanent farmers, but pionees. The technological developments and improvements have ory taken place during the past few decades, and, besides, it takes from 12 to 15 years before any scientific discovers yield practical results.

34. *Dr. Moolman.*] Were the price structure and the tred of prices determined for products by marketing boards n terms of the Marketing Act taken into account here?—Oe can never determine the price of a product in advane, although the price trend can be established to a certain exte. Take, for example, the average price of maize ten years ag. Over the years this price has increased tremendously. Te Department is concentrating more and more on providig intensive guidance to the farmer. To an ever-increasing extt our farmers are being enabled to utilize fully the technologicl developments that have taken place. Nevertheless I have o admit that it is very difficult to determine the prices of pr-ducts in advance. If one ensured that the units on which or farmers farmed would enable them to make a reasonale living it would therefore provide a great deal of relief to thei. This could never be done in the case of small units, howeve, because the fact that some units are too small is one of te main reasons why certain of our farmers find themselves n financial difficulties from time to time.

35. *Mr. Taurog.*] We know from experience that cities ad towns grow and will in due course extend to the boundar s of farms. What would the position be in 15 or 20 years' tie if legislation were passed to limit the subdivision of tls land?—This is an aspect that the broad planning board woul have to decide about. If it is in the general or national i-terest, the board will have to decide and that land will hae to come under the control of the municipality or body co-cerned. In the case where agricultural land is required fr an industry in the interests of the country, the land will hae to be given up for that specific purpose. It is then zoned fr that purpose. It is for this reason that I feel there should e a broad planning body which would not see the matter merey from a departmental point of view, but from a broad, gene l point of view. In cases of this nature agricultural land has o be given up. For me this does not create any problem. It s

not the case that one is faced with a static position here. One simply has to adapt oneself to the development of the country.

36. You are therefore convinced that we can plan so far ahead?—No, one cannot plan so far ahead. But one would at least be able to provide that a certain piece of land should be regarded as a municipal or urban area for the next ten years. Take, for example, the case of Pretoria, which is expanding every day. There is land which is to-day being used as residential land, but which, 10 or 15 years ago, was still agricultural land. If circumstances demand such a step agricultural land is simply zoned as residential land. The residential value of that land would in any case be much higher than its agricultural value. I therefore see no problem if land which is used as agricultural land to-day, is later used for another purpose.

37. *Mr. Kotze.*] It is stated in the Report that the provincial administrations of the Transvaal, the Orange Free State and the Cape Province see to it that agricultural land is not divided into smaller units than 25 morgen. At the same time there are complaints that this provision is being circumvented. Would you, as an official of the Department of Agricultural Technical Services, recommend that all control, even that in respect of the 25 morgen limitation, be withdrawn and transferred to your Department?—We do not wish to concern ourselves with land which falls under the control of local bodies. This land should be planned by the local bodies, but any land falling outside the control of those bodies is agricultural land and therefore comes under the control of the Department. Once again I wish to make it clear that this 25 morgen limitation is of no value from the point of view of control over uneconomic units. It has no significance, because it is determined in a purely arbitrary way.

38. You therefore agree that the control as embodied in ordinances that are applicable to land situated outside municipal areas should be withdrawn?—All land that is utilized for agricultural purposes and on which a farmer has to make a living should be controlled by the Department concerned, no matter where such land is situated.

39. *Mrs. Van Niekerk.*] In paragraph 117 of the Report it is stated that the consolidation of uneconomic farming units on a voluntary basis should be encouraged, but that in certain cases where subdivision is leading to incorrect utilization of the land and the impoverishment of families there should be no hesitation in implementing the Unbeneficial Occupation of Farms Act of 1937. Should it now be inferred from your evidence that the consolidation of uneconomic units

should no longer take place on a voluntary basis, but that it should be done by means of legislation?—No, there are two aspects which should be taken into consideration. The one is of a preventative nature, and for that legislation is necessary. The other is of a corrective nature, which can be very drastic. This is a long-term undertaking and it might take years before the subdivision of agricultural land could be placed on a sound basis. Financing is a very important factor, and if it were applied rationally and the co-operation of all the financing institutions could be obtained, this problem could be overcome to a large extent. We do not know to what extent the State would render financial support. The State might decide not to help farmers farming on uneconomical units, or it might grant assistance so that a farmer would be enabled to convert his land into an economic unit.

40. In connection with the influence of the controlling body on the values of land it is stated in the Report that when the controlling body is functioning fully it could be expected to have a moderating effect on land prices. Do you not think that this would bring about a revolution in agriculture in this country?—I do not know. We would have to co-operate with our farmers in this connection. We discussed the question of control over the subdivision of agricultural land with the Director and the Chairman of the South African Agricultural Union and they agreed with us in principle. If we want to place the farming industry on a firm foundation and make it possible for our farmers to stay on the farms the question of the determination of an economic farming unit is a basic requirement.

41. *Mr. Wentzel.*] In my opinion it would not solve the problem if State aid were withheld from farmers who farm on uneconomic units. Do you agree?—This is a corrective measure. It is a long-term policy. The State should take the initiative to ensure that we have a uniform financing policy. The State is unable to undertake all the financing and therefore the matter has to be approached rationally. If someone who does not have the necessary capital wishes to buy an uneconomic farm, where is he going to get the money from? The State is not the only source of capital, for the Land Bank, commercial banks and insurance companies are all important providers of credit. A sound financing policy cannot be laid down by means of legislation. It can only be achieved if we have the closest co-operation on the part of these sources of capital.

42. The study group put the minimum standard of living of a farming family at R1,500 per year. In my opinion this figure cannot be fixed, for it is subject to variation from time to time as a result of the increase in the cost of living and so

forth. What are your views?—There are various factors that cannot be determined in advance. If it is found subsequently that the figure is not a true reflection of the position, it can be changed. We put the standard of living at R1,500. But say for the sake of argument that that farm, as a result of technological improvements, etc., enabled the farmer to earn R1,800 or R2,000, I presume the farmer's standard of living would also rise. I feel, however, that if this standard is determined judiciously, it is not a figure that need necessarily vary a great deal over short periods. If the size of a unit is determined by legislation the unit may not be subdivided unless circumstances subsequently demand this. Surely a law is made to meet problems as they exist at present. The Committee knows that laws are continually being amended to meet changed circumstances. This is how I regard the determination of a reasonable standard of living. I am not saying that it would not have to be changed. I feel, however, that the positive and negative factors will balance each other.

43. Let me put it this way. Ten years ago one could more easily make ends meet with R200 or R300 than one could with R500 to-day?—Yes, but on the other hand, the nett income of the farmer would be higher to-day. The purchasing power of money changes continually. As a result of this it may be necessary to adjust the standard to the changed circumstances from time to time.

44. *Mr. Martins.*] The determination of R1,500 to R2,000 is therefore in accordance with the norm of present values?—Yes, as far as we could determine. In view of the fact that the survey on the basis of which this determination was made is not of recent date, an adjustment of 10 per cent has been allowed for in the calculation. I wish to repeat that this aspect will have to be further investigated.

45. *Mr. Wentzel.*] Would not the income levels, too, vary from one region to another?—Yes, take for example the question of the suspension of the sugar quota in Natal. This, however, is not an evil. What would happen then is that the norm for income would rise in that case. I do not believe the basic farming would easily change. A farmer might change from sheep to cattle farming, but he would do so only if it were to his advantage.

46. It appears that there was some difference with regard to the right of appeal after the central controlling body had given its decision. Could you further elucidate this aspect?—You know of course that various concerns are always exerting pressure. They are the people who interfere with our work, and we should not like them to have the right to exert pressure.

The right of appeal is a democratic principle. We hope, however, that the object and operation of the controlling body will not be defeated by this. If it is felt, however, that there should be a right of appeal, then I have no objection.

47. The Committee has to decide whether the right of appeal should be granted, and therefore the Committee should like to hear your opinion on the matter?—As chairman of the study group I may state that we have no objection to the right of appeal. The study group was of the opinion that although the board would of course be responsible to the Minister concerned, it should be virtually autonomous. It should be similar to the Land Board. I do not think the decisions of the Land Board are submitted to a Minister.

48. In certain circumstances the Minister will in fact have the right to alter a decision of the controlling body, not so?—If it is found, for example, that the board is unsympathetic, provision may be made for such eventualities. We should like the board to be an autonomous body. The fact that the controlling body will be responsible to the Minister, will ensure rational action.

49. Do you think there will be such an accumulation of appeals that the position would become unmanageable for the Minister?—That may be. There were one or two such cases that I handled and where we upheld the previous decisions after re-examination. There was one case in respect of which our recommendation was not carried out, but in that case we had not had the full information at our disposal.

50. *Mr. Streicher.*] The causes for the coming into being of uneconomic farming units are mentioned on page 4 of the Report. Do you agree that bequests and speculation are really the main causes?—Yes. I think bequests are actually a more important cause than speculation. Of course speculation does play a tremendous part in our time, particularly as regards the creation of small-holdings. In the case of small-holdings the element of speculation is probably the main factor. In the rural areas, on the other hand, it is the testamentary subdivision of agricultural land that plays the major part.

51. *Mr. Martins.*] But even there speculation occurs?—That may be so. We did not try to arrange the causes in order of importance, however, but in my personal opinion bequests and speculation, in that order, are the two main causes.

52. *Mr. Streicher.*] Speculation, for example, can be combatted by means of legislation. Do you not think the question of bequests should rather be brought home to our people by means of education?—Education is a very slow process. If it had been practical, however, it would have been the best method. Take for example the Soil Conservation Act

Although our Department was legally empowered to apply the Act, the principles of soil conservation are to-day, after 18 years, still not being applied properly.

53. Is it not your experience that the modern farmer to-day has a very good idea of what an economic unit is and therefore would not allow his children to farm on too small units?—I do not have the necessary background and information to give a positive reply to that question, but I do think our farmers are beginning to realize that subdivision of this nature is an evil. This is substantiated by the fact that we enjoy the whole-hearted support of the South African Agricultural Union. This is a radical measure, which may restrict the freedom of the farmer. To me, however, this freedom is not of primary importance. It depends on how this freedom is used. The approach to the matter should be first to check the causes of the evil, and in my opinion legislation is the only practical way of doing so.

54. *Mr. Vosloo.*] It appears from your evidence that all subdivision of agricultural land should be subject to the decision of a controlling body. Is that so?—Yes.

55. Will the board that is to be founded have the right to approve or reject a testamentary disposition?—Once our farmers know about such a provision they would consult the board before any testamentary dispositions in connection with subdivisions are made in wills.

56. Do you not agree that circumstances may change so rapidly that the position may later be quite different?—No, in my opinion the position would not change as rapidly as that. I do not want to play the prophet now. However, these are my personal views.

57. What do you think the effect would be if the testator realized that he no longer had all the say in his estate?—To-day nobody is completely his own master any more, for in virtually every field there are laws and other limitations and restrictions. In my opinion one should in matters of this nature ask oneself whether it is in the interest of the country or the individual. In this connection my attitude is that I place the interests of the country above those of the individual. If the State were to carry out our recommendations, it would entail heavy financial commitments for it. I think the State has the right to ensure that the money it makes available to the farmers is spent in the best way. If one wants to argue on the basis of the infringement that would be made on the rights of the individual, well, that is inevitable. There are certain people, however, who have to be controlled in their own interest. Take for example the question of driving

a motor car. One is at liberty to drive a car, but there are certain traffic laws that one has to obey, not only in one's own interest, but also in the interest of other motorists.

58. The testator would then necessarily have to consult the board in order to find out whether he could in fact subdivide his farm as he would like to subdivide it?—There would of course be no objection if a farmer wanted to leave his farm in an undivided state to his children. One would retain the unit, which is essential. If three or four people then wanted to make a precarious living on such a unit, well, that is their own affair. In that respect the rights of the individual are in no way infringed. If a farm is divided into two or more independent units, however, the farmer has to obtain the consent of the board.

59. *Mr. Wentzel.*] Am I correct in saying that the Unbeneficial Occupation of Farms Act of 1937 to some extent prohibited the uneconomic subdivision of units?—No, there has never before been any legislation against subdivision. If the State found that a farmer could not make a living on his land, or if he spoiled his land, the State could by virtue of this Act expropriate the land and re-allot it. As far as I know, this provision of the Act has been applied only once. At the time it was already a very drastic measure. I recall that years ago the Boland farmers would not agree to the matter of the grading of wheat. To-day, however, it is an accepted thing. I think that legislation in connection with subdivision will in due course be accepted in the same way.

60. *Mr. Taurog.*] Do you realize that if testamentary dispositions in connection with subdivision first had to be submitted to the board, it would do away with the question of the secrecy of a will?—The farmer would merely have to find out from the board whether it was possible to divide his farm into a certain number of units. As long as he makes his will within the provisions of the board, no one need have knowledge of the contents of his will. A farmer merely has to find out from the board whether he may divide his farm into four units, for example, or, if he so prefers, tell the board that he is leaving his farm to his children in an undivided state.

61. That is exactly my point. Say for example a farmer has four children, but he wants to bequeath his farm to only two of them. He then has to find out from the board whether he may divide his farm into two, and then the other two children would in all probability hear about their exclusion?—I do not think that is a problem. In such a case the decision of the board would be quite secret, as the matter is of a personal nature. For example, when we receive applications

for subdivision to-day, we ask the farmer certain personal questions, but the strictest secrecy is maintained throughout.

62. *Mr. Martins.*] In paragraph 81 of the Report you mention the establishment of district committees. Do you do that in view of the fact that a regional classification is not practicable?—I want to make it clear that the controlling body would not necessarily have to consider all cases. There are certain units that are obviously uneconomic or economic units. The board or controlling body would only have to decide in cases where there is uncertainty. These district committees would make no decisions. It would be the work of these committees to gather information and then to make recommendations to the board on the basis of this information. The board would have to decide whether further information was required or whether the recommendations of the district committees would be accepted.

63. Do you think these district committees may possibly in future replace the farmers' assistance boards?—That is difficult to say, but it may in fact happen. I should like local people with a knowledge of land values and similar matters to serve on these committees. It would be a good thing. In the manual for extension officers in connection with the determination of economic farming units, inquiry is made, *inter alia*, into the values of land and improvements.

64. *Mr. Streicher.*] Did the study group study any similar legislation or practices in other countries?—In other countries there is of course legislation in respect of subdivision, but the concept of an economic unit is really something new. If this concept were incorporated in legislation, we would, as far as I know, be the first country to have legislation in this connection. The principle that a certain unit may not be subdivided any further, however, is a generally accepted principle in other countries. Five years ago I was in Holland to study agricultural matters there. There agricultural land is divided into very small units. The Government made a law on "ruilverkaveling" and "herverkaveling", however, in terms of which the State bought up the plots that were too small. "Kavel" means a plot, and by "herverkaviling" is meant a re-creation or rearrangement of the plots. Those farmers and their families were then sent to the polders. This is land that the Dutch reclaimed from the North Sea. All these small plots were then consolidated and redivided in a rational way. At the same time new canals, roads, houses, etc., are built, and in this way conditions are re-created altogether. I then asked these people—incidentally, the State has an important share in these undertakings—whether there was any legisla-

tion to prohibit the people from redividing the plots. Their reply was that there was no legislation in this connection, and at the same time they admitted that this was a deficiency. I think they have in the meantime realized that legislation is essential. The concept of an economic unit has not yet been incorporated in legislation, while various countries have legislation on subdivision.

65. *Mr. Taurog.*] Do you have any knowledge of a commission that was appointed in the United States of America five or six years ago to investigate the question of the uneconomic subdivision of agricultural land?—No, I have no knowledge of that. I do not think the United States of America adopts a very definite attitude in this connection. I think part-time farmers are allowed in the United States. In principle, however, I cannot agree to that, and I think that was also the attitude adopted by our committee. In the United States surveys have in fact been made of the standard of living, etc., but I do not think the concept of an economic unit has been subjected to an intensive inquiry there to the extent that it has been done here.

66. *Mr. Kotze.*] It is generally known that financing for the purchase of land is done by quite a number of institutions. Would you recommend that agricultural financing be reserved for the State only?—No, definitely not. The State cannot do this on its own.

67. Would you want to impose any restrictions on other institutions that finance the purchase of agricultural land?—No. In any case, this is not a matter that was investigated. These financial institutions are important institutions. We have no connection with the commercial banks as such. The Land Bank is the only bank with which we negotiate.

68. Do you agree with the accusation against the State that it is an easy provider of credit?—Whether this accusation is justified or not, can only be ascertained after investigation.

69. *Chairman.*] Supposing a farmer applied to the Land Bank or the State for financial assistance for purchasing land, and these concerns said that the land was not an economic unit and therefore refused assistance, but he was assisted by a commercial institution. This institution would then have to know that if subsequently this farmer needed assistance, the State would not help him. It would therefore have the effect that these institutions would not render financial assistance so readily?—Yes, the matter would also have a psychological effect. I want to emphasize that the question of financing and credit provision is very important, as also the corrective measures that cannot be prescribed by way of legislation.

70. *Mr. Vosloo.*] Does that mean that subdivision can in fact occur in those cases where other bodies are prepared to finance purchases of land?—No. Subdivision would be controlled by way of legislation, whereas financing is a different matter altogether.

Thursday, 28th May, 1964.

PRESENT:

Mr. KEYTER (Chairman).

Mr. S. P. Botha.	Mr. Taurog.
Mr. G. P. Kotze.	Mrs. S. M. van Niekerk.
Mr. Martins.	Mr. Vosloo.
Dr. Moolman.	Mr. Wentzel.
Mr. Streicher.	

Mr. D. Spies, Secretary for Lands, examined.

71. *Chairman.*] We have received the memorandum of the Department of Lands. Do you have any objection to its forming part of the record and being printed?—(*Mr. Spies.*) No, I have no objection. The memorandum reads as follows [*Translation*]—

My Department originally drafted a Bill which was redrafted in its present form after discussions with the Departments of Agricultural Technical Services, Agricultural Economics and Marketing, Finance, the Treasury, and the State Advances Recoveries Office. It may in fact be regarded as a synopsis of my views on the matter. [See Appendix.]

I wish to point out, however, that the provision in Clause 9 (2) of the Bill, which creates a right of appeal, is not supported unprovisionally as far as my Department is concerned. A right of appeal against the decisions of the proposed board may be essential, but it can be envisaged that virtually all unsuccessful applicants will make use of this right, which would simply overburden the Minister with work. Another consideration is the fact that unless the Minister ordered a further investigation, he would have to base his decision on the same facts as the board had at its disposal, and it is not clear how he would be justified in coming to a different conclusion.

72. Do you have anything to add to the memorandum?—No, at this stage I do not think I wish to add anything.

73. *Mr. Martins.*] My first question relates to the definitions section of the draft Bill prepared by the Department. Small-holdings situated around urban areas, for example Bloemfontein, are excluded from the term "agricultural land"?—I do not know whether all small-holdings are necessarily included in town areas. In Pretoria, for example, there are many small-holdings that are not included in the town area.

74. At Wakkerstroom, for example, the position is different. There the town lands have been measured off into small-holdings of five morgen and have been let to people. Is this type of land also excluded?—According to the definition, the land would be outside the ambit of the Act if it fell inside the area of the town.

75. Do you not think it is absolutely essential that, as far as the subdivision of agricultural land is concerned, the Department should also have some control over small-holdings situated inside the area of a town?—The question that arises then is whether the small-holdings are in fact agricultural land. In most cases they are not used exclusively for agricultural purposes. It is usually people who have another source of income—for example, salaried people and pensioners—who make use of the small-holdings. I do not know whether the land is in actual fact used for agricultural purposes.

76. Does the possibility not exist that a person who also has another income can in fact make a living on a small piece of land, but that when the land is sold to someone who has no other income the new owner would not be able to make a living on it? That piece of land would then be an uneconomic unit?—Yes, that is possible.

77. Will you be able to furnish this Committee with the following information in respect of the more densely populated settlements: the sizes of the holdings in the various settlements; the consolidatory steps that have already had to be taken; the average gross incomes of those areas; the position as regards waterlogging of the land and the dates on which the settlements were originally established? From the Henning Report it appears that since 1820 the State has also been guilty of creating uneconomic units. The Committee would like to know to what extent the State has in the past been instrumental in this respect. Will you be able to furnish these particulars?—Yes.

78. *Mr. Taurog.*] Do you think the question of small-holdings immediately outside the municipal boundaries of towns

also has to be considered?—According to information received, there are thousands of such small-holdings that cannot be disposed of. I also think most of the small-holdings formed part of agricultural land around the towns. Farms were bought and then divided into small-holdings. To that extent this matter does come under the ambit of this Bill, because agricultural land was divided for that purpose.

79. What is your attitude in regard to control over bequests as regards the subdivision of land?—At the time the Bill was drafted it was the intention that it would in fact apply to bequests. Clause 11 of the Bill deals with bequests.

80. *Mr. Martins.*] With reference to clause 11 (4), do you not think that when the State buys land the consent of the board should also be obtained before division may take place? —I have to mention that there was a great deal of argument about this point in the committee of officials, and that finally it was decided to exclude the State. The Department of Lands often buys land or subdivisions of land. We felt that the Minister of Lands should not be dependent upon the decisions of the proposed board in implementing the Land Settlement Act. Furthermore, I may give this assurance: Where the Department of Lands to-day buys any land which used to be a portion of or which is separated from other agricultural land, it makes very sure that both the portion that is bought and the remaining portion are in fact economic. To mention an example: The Department cannot buy, say, 200 morgen if the remaining portion cannot provide the owner with a livelihood. We consistently refuse to act in that way.

81. Does the Bill provide that the remaining portion shall be economic; otherwise the entire piece of land is bought by the Department?—No, there is no such provision in the Bill. In the case of the Land Board, however, it is a principle that if the Department of Water Affairs, for example, wants only a small portion of a farmer's farm and the farmer submits that the remaining portion of his farm is not economic, the Land Board investigates the matter. In most cases it is found that the farmer's submission is true, and the State then buys the whole farm. I am now thinking of a case of a farm which was situated next to the Orange River and which was examined by the Land Board. The Board was of the opinion that the remaining portion would be an economic piece of land, but the farmer contested this. Further investigation proved that the farmer was correct, and consequently the whole farm was bought. I know of no case where we do not buy the whole farm in such circumstances. There may be cases where the Land Board is of the opinion that the farmer can in fact make

a living on the remaining portion of the farm, but in most cases we buy the whole farm.

82. *Mr. Taurog.*] If I desire to draw up a will of the type envisaged by clause 11 (2) of the Bill, what procedure should I follow before drawing up the will?—Should this clause become law I think testators should be persuaded to go to the board before drawing up their wills so that the board can state its attitude to the subdivision of land contemplated in the provisions of wills. I personally think that the majority of testators to whom this particular sub-section applies will not approach the board, and the executors, in the performance of their duties, will ultimately have to approach the board. Should the board decide that the subdivision of agricultural land provided for by the will is uneconomic it will refuse to allow the subdivision. The alternatives then will be either for the farm to be sold as a unit and the heirs to receive a *pro rata* share of the proceeds, or that the board might suggest that if the farm is divided, for example, into two instead of three portions, it will approve of the subdivision, on condition that compensation is paid to the third heir. I suppose that is how it will work in practice.

83. The sub-section under discussion introduces something quite new to South Africa as far as testamentary dispositions are concerned, and it might result in quite violent public reaction?—Yes, I realize that.

84. Do you think that is the only way of dealing with uneconomic subdivision of land in a will?—I would not say so. This is only my own view of what the board will most likely do in such circumstances.

85. Another aspect is the element of secrecy in the drawing up of wills. Will the public not be opposed to the inroads being made on the inherent right of secrecy which a testator has at present in regard to the contents of his will as a result of the fact that testators will have to approach the board in this regard?—I should like to stress that nothing contained in the Bill will compel a testator to consult the board. But in my view many problems will be avoided if a testator approaches the board before drawing up a will. However, as it will not be compulsory, I do not think secrecy is affected at all. But to avoid complications I suggest that testators should approach the board.

86. *Mr. Kotze.*] The provincial administrations have control over small-holdings that are smaller than 25 morgen. Evidence has been given here that all subdivision of agricultural land should be referred to the Department of Agricultural Technical Services. What is your opinion on this?—I

think it is a practical arrangement between the provincial administrations and the Department of Agricultural Technical Services. The same arrangement also applies between the Natural Resources Development Council and the abovementioned Department. Where an area is proclaimed in terms of the Natural Resources Development Act, 1947, the Minister of Economic Affairs has the right to decide two things: Firstly, that the land may not be subdivided without the consent of that Council, and secondly, that use of the land may be changed only with the consent of the abovementioned Council. The Council in question approaches the Department of Agricultural Technical Services for advice when the subdivision of agricultural land is in issue. It is in actual fact the Department of Agricultural Technical Services that decides.

87. Such as in the case of land adjoining the commonage?—Yes. In so far as agricultural land is concerned, the Department of Agricultural Technical Services in practice always advises the Natural Resources Development Council.

88. Are you in favour of the provincial administration disappearing from the picture as regards the subdivision of agricultural holdings if this Bill is passed?—Clause 10 of the Bill deals with the establishment of an advisory committee. It is the intention that both the Department of Agricultural Technical Services and the Department of Agricultural Economics and Marketing would be very well represented on the committee. The committee would make recommendations to the Minister and the board regarding standards according to which land could be divided.

89. Do you not think it would lead to overlapping if first the provincial authority concerned and then the Department of Agricultural Technical Services had to be approached in respect of the subdivision of agricultural land, regardless of the type of farming it may be used for?—Yes, I agree that there would in fact be overlapping. It seems to me as though the two authorities would have to reach a compromise. I am now only speaking of agricultural land, of course, and not of commercial premises, etc. I think the proposed board should only be charged with the subdivision of such land. The Department of Agricultural Technical Services would of course be represented on the board as well as the advisory committee.

90. Do you not think an amendment should be made to the relevant ordinances of the provinces in order to put the matter right?—In paragraph 123 of its report the study group recommended that the size of the plots adjoining urban areas

should not be more than $2\frac{1}{2}$ morgen. It may be possible to provide that the jurisdiction of the provincial authorities could be limited to land of that size, and that larger areas would come under the board and the advisory committee.

91. Do you think the powers of the provincial authorities in this regard should be suspended altogether and that only the Department of Agricultural Technical Services should have jurisdiction?—In this regard the difficulty is possibly the sensitiveness of provincial administrations.

92. Clause 9 of the proposed Bill deals with direct appeals to the Minister. Your memorandum mentions the possibility that the Minister concerned may then be overburdened with work. The Committee has been told, however, that decisions may fittingly be reviewed by the Minister. What is your opinion on that?—This particular clause was one of the points at issue when the Bill was discussed at the meetings of the committee of officials. It was unanimously considered that the right of appeal against a decision of the board should in fact exist. This measure is very far-reaching indeed. The possibility that the courts should hear such appeals was considered, but the disadvantage of the high costs connected with appeals made us decide against that. The majority of the members of the committee of officials then decided that appeal to the Minister would be the obvious solution. Nevertheless, we have many misgivings about this. We can hardly see how he could play the part of a judge of appeal. Something that would interfere with the efficiency of this procedure is the fact that the facts submitted to the Minister would be virtually the same as those on which the board would have based its decision. Appellants would arrive with counsel and attorneys and the Minister would simply be overburdened with work. It may be accepted that everyone who is dissatisfied with the board's decision would appeal to the Minister or some other authority. I have to admit that I do not know what the solution to the problem is. On the one hand I feel that the system of appeals to the Minister would be unpractical. On the other hand I admit that there has to be some provision for a person to have recourse to a higher authority. But in my opinion it would merely be a repetition of the evidence considered by the board which would then be submitted to the Minister.

93. Clause 10 of the proposed Bill refers to an advisory committee and also local committees that would be established. It is the intention that the local committees should advise the board of control or the advisory committees?—It is the intention that the local committees should advise the board directly in respect of individual applications before the

board. The advisory committee, on the other hand, should, after consultation with the Minister, submit to the board principles in broad outline and standards that should be taken into account.

94. *Dr. Moolman.*] The actual difficulty in respect of appeals would in my opinion be when the will has to be executed by the executor, as against a case where the testator is still living and can appeal in person. To what authority do you think appeals against the board's decisions should be made?—I have to admit that a satisfactory solution to this particular problem is still lacking. There should undoubtedly be a right of appeal, but we cannot see how the Minister would be able to cope with all the work this would entail. We hope that the Committee after having heard evidence, will be able to solve the problem.

95. Do you think it will be physically possible for the board to cope with all the duties in respect of all agricultural holdings, whether inside or outside municipal areas?—It will undoubtedly be a tremendous task and nobody can predict what proportions it will assume. According to the offices of the Surveyors-General at least some 3,000 applications will come before the board every year. At present 6,000 subdivision surveys take place in the Republic per year, and it is felt that about half of these surveys will come before the board. Apparently it is generally felt that the evil which necessitated this Bill definitely has to be combated. I may say that I personally felt that there were certain misgivings as regards the introduction of legislation at this stage. I suggested to the committee of officials that the following may be a first step in combating the problem: The State should proclaim that after a specified date the State would not render financial assistance to farmers who were on land that in the opinion of the State was uneconomically subdivided. The difficulty that would then arise is that the State would have to decide when a subdivision was in fact uneconomic. The Bill goes much further, of course, and provides that under certain circumstances land may not be subdivided. My opinion was submitted to the Ministerial Committee, but it was decided that this Bill should be drafted. The Bill may perhaps be proceeded with, while my suggestion is also actively followed up. I think the study group also expressed the idea that the State should, by means of financial pressure, combat the subdivision of land into uneconomic units. The State's intention should also be made known to private financial institutions, namely, that as far as State aid is concerned, subdivision would no longer be allowed where it is not justified.

96. What members will the board consist of?—It would be for the Minister to decide who the members of the board would be. Clause 10 deals with committees. Representatives of the farmers would have to serve on the advisory committee and quite possibly on the district committees as well.

97. *Mr. Vosloo.*] Would the board only come into the picture when subdivision of land is involved? In other words, when land which has not been subdivided is sold, the board would play no part, whether the land is an economic unit or not?—Yes.

98. A person may own various pieces of land that he is consolidating. He then decides to sell one or two of his pieces of land. Would that mean that the consolidation which took place without the board's approval would then have to come to the notice of the board, because he would then be subdividing the land?—Yes.

99. In other words, would the board have the say in the majority of land transactions, whether they relate to one piece of land with one deed of transfer, or to various pieces with separate documents?—Yes.

100. You think the State should withhold financial assistance from persons farming on uneconomic units?—Yes, where such units are created after the State has issued a warning as mentioned above.

101. Do you not think it would be sufficient to leave it to financial institutions, Government as well as private, to decide whether they would render financial assistance to farmers on subdivided land?—As I have already said, I personally felt that I had certain misgivings in respect of the practicability of legislation of this nature. I said that it might be a good start if the State were to announce that after a certain date it would render no financial assistance in respect of uneconomic subdivisions. Although the State could announce that as from a certain date it would not render financial assistance in respect of uneconomic subdivisions created after that date, private institutions would not be prevented from rendering such assistance, nor would it prevent people from subdividing the small-holdings.

102. If the farmer concerned did not need State aid, he could therefore continue with undesirable subdivision?—Yes, at his own risk.

103. *Mr. Streicher.*] Do you think any practical difficulties would be experienced when an executor of a deceased estate approached the board in connection with the subdivision of land to be dealt with by him? I am thinking of a case where the board of control may decide that the subdivision was wrong and that the land should be sold and the proceeds

divided?—It would of course be for the board to decide on that. Although our committee of officials—which consists of the heads of departments—spent a great deal of time on this clause, we did not plan and investigate in the finest detail, and cannot do that. It was therefore decided that the framework of the Bill, so to speak, should be submitted to this Committee, so that the Committee could go into the matter further and formulate the legislation in its final form. We shall do our best to assist wherever we can. To a large extent the board will have to decide itself what procedure is to be followed.

104. How do you think the proposed board of control would set about matters, particularly in respect of the problem of the uneconomic subdivision of land as a result of bequests?—I do not think we can prescribe to the board in the finest detail how it is to execute its duties. I do not think any legislation prescribes in the finest detail how a proposed board should act. It has to learn by experience.

105. Do you not think the board would practically have the power of a court, by virtue of the fact that it would be authorized to set aside the provisions of a will?—Yes. In the case of uneconomic units the board would have the power to negative the relative testamentary dispositions. I want to emphasize that the subdivision of land in terms of a will is one of our major problems. If bequests were to be left out of account, it would not be possible to do much to eliminate the unsatisfactory state of affairs.

106. You are of the opinion that a system of appeals to the Minister is not desirable?—I simply cannot see how the Minister could deal with a few thousand appeals per year.

107. Do you not think a special court should be established to deal with the appeals?—That may be a solution. I believe a special court has been established in Natal to decide on disputes in connection with expropriation of land. The decision of that court is final. The great disadvantage connected with courts is of course the high costs of litigation. The time factor is also important. I have considered the possibility of jurisdiction being granted to magistrates' courts. Costs in the lower courts are less than in the higher courts. We considered whether the appeals should go to the Minister or to a court, and it was decided that they would go to the Minister.

108. *Mr. Botha.*] Do you not feel that if the board is too small, it would take very long to deal with the cases before it? Should provision not be made either for an increase in the number of board members or for the subdivision of the board into regional boards?—I do not know whether it would be

a sound step to increase the membership of the board. Every individual case before the board would have to be studied and considered by the board, regardless of the membership of the board. It may be possible to appoint more than one board on a regional basis. In this regard I have to admit that we never thought of that. We thought of only one board, which for practical reasons would have its seat in Pretoria.

109. Do you think the suggestion that the board should be subdivided is a useful one?—Although there may be practical problems, I nevertheless think there is a great deal in the suggestion. But I wonder whether the Bill should not initially authorize the establishment of only one board. If it appeared that the board could not cope with all the work, the necessary amendment could be made at a later stage.

110. Was it borne in mind in your deliberations that there would necessarily have to be personal inspections when cases before the board are investigated?—No, we did not hold that view. For that very reason we decided that the board should have a local committee in every region or district to do the inspection work. However, the board itself would have to decide whether it wanted to carry out a personal inspection *in loco* or whether this might be left to a local board.

111. In view of the fact that the board would have to bear the responsibility for its decisions, it would probably want to carry out such an inspection itself when it came to the subdivision of a person's land?—It is quite conceivable that that would be the obvious course of action in certain cases. The board might also appoint its own inspectors to deal with this aspect of its duties. Personally I feel that it would be impossible for all cases to be investigated by the board personally. In my opinion the board—particularly at the beginning of its existence—would have to decide itself whether it would hold an investigation *in loco* in order to study the extent and nature of a particular problem.

112. If the board relied to a large extent on the advice and opinions of local committees, would that mean that the latter would be very important bodies?—Yes.

113. The advisory committee and the local committees would only be advisory bodies, not so?—Yes.

114. Are you not of the opinion that the Bill should be extended so that it would also apply to land that has already been subdivided but has not yet been disposed of, in other words, so that it should not only apply to land that will be subdivided in future?—We felt that the problem was already of such magnitude that the measure should not be of a retrospective nature. Subdivisions that have already been approved

have been deliberately excluded. We did discuss it, and we realize that it is a serious problem.

115. Do you think the advisory committee should advise the Minister in cases where appeals are lodged?—The Bill provides that the standards suggested by the advisory committee first have to be approved by the Minister before they are submitted to the board. I think it is conceivable that the advisory committee could in fact assist the Minister when an appeal is heard by him. This might facilitate the Minister's task, although the Minister would have substantially the same advice as that received by the board. The fact that the Minister would have no new information is the basis of our objection to appeal to the Minister.

116. *Mrs. Van Niekerk.*] With reference to clause 11 (2), if the board decided that a certain piece of land that has been bequeathed to three persons could only be divided into two, who would decide which heirs would inherit the land and which heir would have to be compensated?—It is fully realized that this would be a difficult problem. I think the heirs would have to settle the matter amicably. Surely it frequently happens to-day that certain heirs inherit land, while other heirs of the same testator receive money.

117. But then the testator determines who is to get which and there can be no quarrelling. Is Clause 11 (2) not in conflict with the principles of our Roman-Dutch law as regards wills?—This provision was drafted in this form by the legal adviser. According to him it is a word-for-word repetition of the corresponding section in the Group Areas legislation and the Group Areas Development legislation. It therefore appears that Parliament has accepted in principle that a testamentary disposition may in this way be set aside by a board. I do not know whether such a step has already been tested in a court.

118. I now want to refer to small-holdings that are excluded when situated in a town area. Is it possible for the Department to furnish the number and other particulars of such small-holdings?—I shall find out what information is available in this regard.

119. If this Committee decided that regional boards should be established, would it be possible to have uniformity in respect of standards, procedure, etc.?—The problem is always that if more than one board is appointed, their approach, actions, etc., may differ. Of course the basic advice of the local committees and the advisory committee will be the same. Whether it is one board or more, the standards laid down will be the same.

120. *Mr. Wentzel.*] Would it not be more effective if there

were one board with an advisory committee and various local committees?—The advisory committee, which would consist of representatives of agricultural organizations, would also have its seat in Pretoria. The local committees, on the other hand, would be distributed throughout the country. Perhaps they would be constituted like the Farmers' Assistance Committees, with officials integrated with them.

121. *Mr. Botha.*] Is the analogy not rather the Land Board?—The Land Board, of course, does not have local committees on which it can rely. Perhaps the Farmers' Assistance Board is the analogy. The final decisions are often made by the district committees of this Board.

122. *Mr. Wentzel.*] Would it not make the procedure and routine very complicated and tedious?—Yes, the procedure is already very complicated. A case would go from the local committee to the regional board and from there to the central board. The advisory committee also comes into the picture. Apart from other factors there is the time factor which has to be taken into account. It is of course the desire to make the system as efficient as possible. Perhaps the establishment of regional boards would reduce the work of the central board. In the case of the Land Board, that Board is actually an advisory board that assists the Minister. The Minister takes the final decisions. The problem we had to contend with was in fact that if the decision of the proposed central board was final, there would be no right of appeal.

123. *Mr. Wentzel.*] Does the Minister often reject decisions of the central Land Board?—It happens now and then.

124. It is not an impossible task, however; the Minister comes to a different conclusion on the basis of the same facts that were at the disposal of the local board and the central board?—Yes, but the Minister has the Department's views on the Board's recommendations at his disposal.

125. Do the small-holdings adjoining town areas make any contribution to agricultural production?—I think in most cases the people merely want a place of residence outside town. Usually they have an income from another source.

126. The object of this Bill is to protect land owners from obtaining pieces of land that are too small?—As long as the holdings do not fall in town areas, they will come under this proposed board, provided that they are agricultural land. I just want to point out that there is of course legislation relating to the unbeneficial occupation of farms, *viz.*, the Unbeneficial Occupation of Farms Act, 1937. At the moment it does not function well, for the Minister may only order the expropriation of land where two or more people occupy a farm and cannot make a living from the proceeds of the farm and/or

income from other sources. The study group recommended that the provision relating to "and/or income from any other source" be deleted. If the measure in question is amended next year, it would, together with this legislation, help a great deal to meet the existing unsatisfactory state of affairs.

127. *Mr. Botha.*] What do you think is the solution to the problem, for example, of a large farm that has been uneconomically subdivided and a large number of subdivisions of which are still to be sold? Should the onus not be placed on the subdividers to have the remaining pieces of land redivided on an economic basis?—Perhaps this Committee may consider recommending that the Act of 1937 be amended next year to provide for that. Your question relates to land that has already been subdivided, but is still unsold, whereas the 1937 legislation relates to subdivisions that have already been occupied.

128. *Chairman.*] It may happen that a town possessing a great deal of land obtains permission from the Administrator to sell, for example, 150 morgen—which may be an uneconomic unit—to a farmer. Should provision not be made for intervention if an uneconomic unit were sold to a farmer?—I think before a town may sell the land, it has to be withdrawn from the town area by proclamation. As soon as it has been so withdrawn, it would in my opinion come under the provisions of legislation. I shall go into this point further.

129. The State may buy an uneconomic piece of land in order to sell it to a farmer who is already farming on an adjoining uneconomic unit, but who could exploit the two pieces together as an economic unit?—Yes, that does happen, but then a perpetual condition is laid down that the land may never be divided without the permission of the Minister of Lands. The remaining portion of the land, if any, has to be economic, of course.

130. In a case where, for example, five morgen of land which are separate from the remaining portion of the farm are bequeathed to an heir, it will be possible to provide that that piece of land may not be sold separately from the other land bequeathed to that particular heir?—That is correct.

131. If a case occurred where the board decided that the subdivisions of land inherited in terms of a testamentary disposition were uneconomic, would it not be better, if the land carried a heavy mortgage debt, to sell the land and divide the proceeds among the beneficiaries?—I think the board will fully investigate that aspect. It often happens that the land is an economic unit, but owing to a heavy burden of debts, the land may become an uneconomic unit.

132. Is subdivision prohibited in other countries?—Yes.

133. Could you obtain information from other countries, *inter alia* Holland and the U.S.A., in regard to how they deal with this problem, and furnish it to the Committee?—Yes.

134. *Mr. Kotze.*] The two objections to appeal to the Minister are, firstly, that the Minister would be overburdened with work and, secondly, that he would in any case have to base his decision on the same evidence as the board. But surely it happens every day that a higher court considers an appeal against a decision of a lower court on the basis of the same information that the latter had at its disposal?—Yes, the Minister may decide that the board made the wrong decision on the basis of the facts that it had before it. He would therefore play the part of a judge. It would be a tremendous task.

135. *Mr. Botha.*] What do you think of the possibility of a special court, similar to the Water Court, being instituted to hear appeals against the board's decisions?—Basically the problems remain the same. Court costs are usually high, and the costs of the Water Court are also high. Furthermore, it usually takes a long time to have appeals placed on the roll and then a long time still elapses before judgment is passed. If these obstacles could be removed, however, such a court might be the best solution.

136. *Mr. Kotze.*] If such a dispute came before the Supreme Court, is it not possible that the court costs would be higher than the value of the land concerned?—Yes. The costs involved in litigation remain an obstacle.

137. *Mr. Vosloo.*] Do you think the powers and control that boards and other bodies at present have and exercise in respect of the subdivision of land should all be concentrated in the proposed board?—My personal view is that if such a board were established to control the subdivision of agricultural land, repealing the powers that other bodies have at present would be the obvious course of action. At present the provincial councils, for example, have jurisdiction in respect of agricultural land of 25 morgen and less. Who can say that 25 morgen are always an uneconomic piece of land? Even 500 morgen may under certain circumstances be uneconomic. It is even possible that 25 morgen may yield a better income than 3,000 morgen. When a provincial council has to decide on the subdivision of agricultural land, such a council always obtains the advice of the Department of Agricultural Technical Services or of Agricultural Economics and Marketing, or even of both Departments. The proposed board would quite possibly have to do the same.

Thursday, 4th June, 1964.

PRESENT:

Mr. KEYTER (Chairman).

Mr. S. P. Botha.	Mr. Taurog.
Mr. G. P. Kotze.	Mrs. S. M. van Niekerk.
Mr. Martins.	Mr. Vosloo.
Dr. Moolman.	Mr. Wentzel.
Mr. S. L. Muller.	

Dr. P. W. Vorster, Secretary for Agricultural Technical Services, examined.

138. *Chairman.*] Dr. Vorster, the Committee has received the report of the Henning Study Group. Would you perhaps like to add anything thereto—(*Dr. Vorster.*) Yes, there are quite a lot of things I should like to bring to the Committee's notice. I received the terms of reference of this Committee yesterday afternoon and found that these covered a wider field than I had initially thought. Originally I had thought that only the draft Bill drawn up by the Department of Lands would be investigated by the Committee, but it appears that the whole question of the uneconomical subdivision and alienation of agricultural land has to receive attention. This is a very old problem, of course, and one could talk about it for a long time. The Department of Agricultural Technical Services, which is naturally very closely concerned with this matter, is desirous that the problem be solved as quickly as possible. The extent of the problem is indicated in the Report of the Henning Committee. Of course you are acquainted with the history of the investigations and discussions which preceded this investigation. I am fully confident that your deliberations will result in effective legislation. I do not wish to discuss all the factors which caused the problems we are dealing with. There is just one point which I should like to emphasize further and which was not mentioned by the Henning Committee. In many large parts of our country there are many people who simply cannot make a living on their small pieces of land. Usually there are only elderly people on these small pieces of land, because the younger people go to seek a living elsewhere. The uneconomical subdivision of land therefore does not only result in the impoverishment

of a major portion of the rural areas, but also has detrimental social consequences for the country. What I should like to bring pertinently to your notice, however, is the fact that as Chairman of the Soil Conservation Board I have travelled through South Africa during the past few years and have once again come under the impression of the great danger which the fragmentation of the land into small uneconomic units holds for the country from the point of view of soil conservation. I wish to mention a few examples. During a visit to Sterkstroom in the Eastern Cape we saw the terrible water erosion of mountain slopes and the encroachment of thorn bushes. There is only a thin layer of soil covering the mountain slopes and when this is broken red shale erosion takes place, which silts up the fertile plains lower down. It costs the State hundreds of thousands of rand to build Government works, which later become nothing but silt dams, because they silt up. But the real problem in the catchment area where the water erosion takes place is therefore not solved by the Government works. The information officer advises the farmer to combat erosion of the mountain slopes by sparing the mountain slopes concerned in the summer, thus giving the grass a chance to grow and form an effective covering. But the farmer says that, as his land is so small, he does not know where he can let his sheep graze in the meantime. On his neighbour's farm, however, the mountain slopes are in a splendid condition, because he has another farm and in the summer he can let his sheep graze on that land. The farmer has all sorts of expenditure, especially if he has children at school or university, and in view of the fact that the wool price is high, he lets sheep graze on the land as much as possible. In spite of all our efforts and the money voted by Parliament for soil conservation, we cannot solve the problem of soil erosion on the uneconomic units. Another example I wish to mention is the Opkoms conservation district at Paul Roux. It has been a long time since we have seen such misery and poverty as we found there. Along the upper reaches of the Sand River the soil is eroded so badly that the people there simply cannot make a proper living. The soil that has been washed away there is irretrievably lost. Even if the people there were granted a 50 per cent subsidy they would still be unable to carry out the work necessary for the protection of the soil.

139. *Mr. Taurog.*] How small are those pieces of land?—Some pieces of land are not even 100 morgen in size. Originally, I think, there were 12 farms, which have now been subdivided into 52 units. The people plough themselves into

bankruptcy and they cannot make a proper living on the small pieces of land. Pasture rotation or a crop rotation system cannot be applied because the lands are so small. I should like to emphasize that in this regard the farmers can in fact be educated and be given technical and financial assistance, but our land and veld that have been ruined cannot be reclaimed easily. In Economics, land is regarded as being one of the several factors in production, but in agriculture, land is the most important factor in production. It is one of the factors that cannot be increased. Our land surface area is limited, because we cannot increase it to any appreciable extent. Capital can in fact be increased, and the productivity of labour can be increased by making use of mechanization, for example, but our land surface area, especially fertile agricultural land, is limited. The only way in which more food can be produced is by increasing the productivity per surface unit. Nevertheless large pieces of land are destroyed because soil conservation cannot be applied effectively on the small subdivisions. Farm planning cannot be applied on them, and I am convinced that all the agricultural aid services will not solve the problem on the uneconomic units. The bywoner system disappeared a number of years ago, but we now have another bywoner system, namely farmers who become "bywoners" of the State. Many of the farmers on the small farms continually have to receive aid from the State. This is something which causes me much concern. The position is that the people living on small uneconomic units find themselves in difficulty as soon as things go wrong even to a minor extent. Any relatively small adversity results in the farmer having to approach the State for a loan. In truth they become entirely dependent on the State. We are really developing a kind of State socialism with this system of small pieces of land on which one cannot make a living. It could change our entire national character, because the State continually has to render aid to the struggling occupiers of units which are too small. It is really a bottomless pit which cannot be filled, because the problem is really not solved by the usual State aid. In truth it is a problem which simply cannot be solved by such aid. By virtue of my office I am continually coming into contact with this problem in our agricultural industry. Of course the problem is not peculiar to South Africa; it is a world-wide problem. Owing to other circumstances the land has been subdivided in older countries, and millions of rands are being spent on land reformation there in order to reconsolidate the small pieces. It is very necessary that the consolidation of uneconomic units in the

Republic should be tackled as quickly as possible, and the requisite legislation for that purpose will have to be introduced. Although the Department of Lands already has certain powers in that respect, further legislation is required. But we should not wait until it would one day cost the State and the tax-payers enormous amounts to rectify the position. In some cases almost irreparable damage has already been done to the land. Of course, prevention is always better than cure. The people who try to make a living on the small farms have a hard time and one pities them. This problem is fairly widely discussed at agricultural congresses, etc., and the question is asked: How is it going to be determined what the minimum size of an economic farm should be? Fortunately we have the support of organized agriculture. The Agricultural Union feels very strongly about the subdivision of farms into uneconomic units. Another point which does not appear in the Henning Report is that the minimum farming unit should be of such a size that it does not only meet certain requirements in respect of the nett income, but also leaves a sufficient margin in regard to our climate. There is no such thing as normal or average rainfall or climatic conditions in the Republic. Our country is one of extremes. Consequently arrangements have to be made and precautions taken for the times when farmers are hit by natural disasters. We have droughts regularly—there are the seasonal droughts, periodical droughts and also the long droughts which are quite unpredictable. In the Northern Transvaal, for example, droughts often occur, and statistics since 1906 show that this part of our country has frequently experienced long droughts. But in the Northern Transvaal the present drought is found to be much more severe because there are many more people in that region and the available land is divided up into smaller parts. As a matter of fact, 80 per cent of the Bushveld farms to-day are too small to run a cattle farm on properly. You can therefore understand why the people there to-day find themselves in such dire circumstances because of the drought. The effect of the drought is much worse than it was on previous occasions. Because our country has a hard climate, the extremes of our climate have to be taken into consideration when determining the size of economic units. There are also pests and plagues and other unforeseeable problems. It is therefore essential that the size of the farms should enable the occupiers to build up reserves for the lean years in order to be able to survive natural and climatic disasters. Of course, reserve funds can only be built up if the price of the land is advantageous and economic. One of the main dis-

advantages connected with the subdivision of land is the fact that there has to be a large initial capital outlay. A house has to be built, etc. This expenditure is out of proportion to the production capacity of the piece of land concerned. In its Report the Henning Committee emphasizes the fact that there ought to be legislation in respect of the uneconomic division of land. It mentions countries which already have legislation in this regard. The minimum size of economic land units can be determined relatively easily in certain European countries because the climate in those countries is not as changeable as the South African climate. In South Africa there are so many factors that prevent the sizes of farms from being determined off-hand. These factors vary within the same region. Nevertheless the Henning Report has convinced me that certain minimum standards could in fact be laid down. It is said that there are people who are able to make a success of farming on these small pieces of land. However, we already have enough small pieces of land for all this specialized farming. We simply cannot afford to let any further subdivision take place. Last year, when I was on holiday in the Tzaneen district, I was shocked when I was shown an old family farm of 2,000 morgen with its large farmstead, which had been divided up into a number of pieces. In order to be able to make a living one person had converted the piece of land on which he lived into a holiday farm. The beautiful trees and veld were neglected. There are also a considerable number of Bantu living there. It is a tragedy to see how such a beautiful part of our country is being cut up. Another source of dissatisfaction is the exploitation practised by some estate agents. Therefore I sincerely hope that something will now be done about this matter. I feel that there is no reason why such legislation cannot be introduced. Of course it would be drastic legislation, as it would interfere with the freedom of the citizen. I wish to emphasize here that if the concept of "freedom" is understood to mean the right to destroy left, right and centre and to do just as one pleases, then real freedom is in fact being destroyed. In my opinion freedom can only exist when one has the highest sense of responsibility. What is actually meant by freedom? In my opinion it means the possibility of choosing, but not the right to make the wrong choice, because then one is enslaved by the wrong choice one has made. In essence one is only free to fulfil one's real vocation. Everything that one does should comply with certain moral requirements, in other words, it should be a responsible action. If I, as an estate agent for example, were to subdivide a piece of land into small uneconomic pieces

which are to the disadvantage of the State and of others, then it is anything but freedom. I am most certainly doing something wrong if I act in this manner! I do not have the freedom to plough in such a way that soil erosion would be a natural consequence thereof. It is not freedom if I let my lands disappear under weeds. The only freedom which I have in respect of my farm is to develop and conserve it to the utmost. When I am able to achieve undisturbed the fulfilment of my vocation for my own welfare as well as that of my fellow men, then I am enjoying the highest measure of freedom. But when wrongful acts which do not comply with moral norms and standards are committed, then it is most certainly not freedom. Consequently, when I divide up a farm in such a way that it is detrimental to my country, my people and the community as a whole, I am acting wrongly and I ought not to possess that measure of freedom. If a person abuses his freedom, laws are made to check wrongful actions. In actual fact there should never have been a Soil Conservation Act in South Africa, because surely it is the duty of every person who is able to do so to apply soil conservation. But because there are always people who act irresponsibly, especially in a country which had to go through a pioneering stage, soil conservation legislation was introduced. It was done in order to prevent further ruination of our country's soil. In my opinion this is the most democratic law in our country, because the onus rests on the people themselves. Personally I would have no qualms of conscience if legislation to combat undesirable subdivision were placed on the Statute Book, because if the freedom which people possess in this regard is abused and distress is created in this way, the State is obliged to intervene, as it has a duty to perform towards posterity, i.e. to see to it that the unborn generations will be able to live off the land. In my opinion certain principles have to be taken into consideration when drafting such legislation. Before going any further I should like to mention that I do not entirely agree with the draft legislation. In any case, it has been accepted as it is by the heads of departments, and I wish to emphasize that under our democratic system a law which would lead to the establishment of a board having wide powers and whose decisions will affect many people whose interests are at stake should be entrusted to a specific Minister. In my opinion a board in regard to which Parliament would not have much say, should not be established. I feel that a specific Minister should rather be responsible for the policy in regard to the application of the law, so that he could be responsible to Parliament for the

application of the law and so that the application of his policy could be discussed. In other words, if a law is made, it should not be shifted off on to a body which is quite separate. In this respect I am thinking of the numerous boards in existence in South Africa. I am thinking, for example of the Council for Scientific and Industrial Research. This is also a board, but it is so far removed from the Minister concerned and Parliament that Parliament does not really discuss it much. The funds for this council are merely appropriated in the form of a lump sum on the Commerce and Industries Vote. That is, of course, not the same as in the case of the Estimates of Government Departments. I am in favour of legislation that does not eliminate parliamentary control, but for which a specific Minister does in fact have to bear the responsibility. On the other hand, however, it is not desirable that the Minister should be directly concerned with the administration of the law. He should not be exposed too much to direct representations and pressure groups. Pressure may be exerted on the Minister if he has to decide every time whether or not a farm should be divided. We are living in a time in which people are inclined to exert pressure. I am not referring only to political parties, but also to private individuals, etc. It would make the Minister's life very unpleasant if interest groups or individuals exerted pressure on him time and time again. The life of such a Minister would be impossible if he had to take such decisions himself. Consequently I feel that a middle course should be followed here. Legislation and its application should be in such hands that the Minister can, in fact, decide on the policy, but the actual application of the law should be in the hands of a board. To me this is a basic principle in regard to this legislation. As far as the application and administration of the law is concerned, these can only be carried out effectively and systematically if the minimum standards or requirements with which an economic farming unit should comply are determined in advance. These might differ from one place to another and would have to be revised from time to time. This is a matter of policy or principle on which the full Cabinet would have to decide, because, when it is a question of legislation, policy has to be determined by the relevant Minister in consultation with the rest of the Cabinet. As far as the envisaged standards or norms are concerned, the Cabinet would have to decide what the minimum requirements with which an economic unit should comply would be. Should it be a nett income of R1,500, or would R2,000 be sufficient? That is why the policy should be deter-

mined in advance. It is necessary in order that the application of the law may take place systematically and that there should be no need to draw lots, for example, to decide whether and in what way land should be divided. In the past there were cases where the decision as to whether or not a farm would be large enough was taken on the basis of general impressions. Furthermore, the Minister should also determine the policy in respect of technico-economic standards, especially in principle. This would be the criterion according to which it would be decided whether a farming enterprise was in fact economic. Although this did not form part of the terms of reference, the Henning Committee considered this aspect, and it appears that in this respect one has to proceed very scientifically. If it is decided that certain land should not be subdivided because it would result in uneconomic units, there should, as far as possible, at least be objective scientific standards to apply. Admittedly it is difficult to lay down such standards, but it can be done nevertheless. During the past few years we have had experience in this regard. Dr. Henning, for example, advises the Natural Resources Development Council in regard to subdivisions, and during the past few months we have also advised the Department of Lands on economical units in regard to the application of their legislation on the consolidation of lands. It is very clear, therefore, that standards can be laid down, and a study should be made thereof. It is my opinion that once these principles have been established, no problem would really be experienced in connection with the application and the administration of the law. Another matter to which I wish to refer is that the determination of the technical and economic norms must necessarily be undertaken by the two Departments of Agriculture. These departments deal with matters of this kind every day. They are organized for this purpose, and from morning till night it is their task to discuss farmers' problems with them and to try to solve them. I shall now refer to the way in which I think the Act should be applied in practice. I propose that a bureau or an office be established in one of the Departments. There would be a director and the necessary technical staff from the two Departments who would make a study of the applications. At the outset, I think, that many applications would be received from people wishing to subdivide land, from people wishing to settle testamentary bequests, and from land speculators, etc., but gradually the applications would decrease. This office with a permanent staff could be called an office, a bureau or a section. One senior official could deal with the

applications. If the Minister so decides, he could make this officer the executive officer, or, alternatively, certain persons who would have to administer the law could be appointed. I regard it as important, however, that this person should act as the secretary to such a statutory board. This board could consist of five persons, but they need not be full-time members. Here I have in mind the N.R.D.C., which only meets every three months. The Soil Conservation Board also meets every three months. But there has to be an office and a staff. They should have a card-index system or some other system and they should collect all the necessary information. Every few months when the board meets the border-line cases and the problematical cases would then be submitted to them for the necessary attention. Say, for example, the Minister decided that an income of R2,000 was the minimum requirement for an economic unit, then it would not follow that the same norm should be applicable throughout the country. Standards of living do vary from one place to another. In due course the minimum standard would also have to be revised. But there is to-day a world-wide tendency to extend the boundaries of farms. This tendency exists because of our technological development and the use of machinery. I read in an American magazine yesterday evening that American farms are getting bigger and bigger. In order to operate economically it is essential to have larger lands, because labour is getting scarcer and scarcer, and machinery consequently has to be used. The machines can only be used economically if they are kept in full-time operation. In any case, I should like to mention that the original intention was that the board would also perform another function, and that is why it was linked with the Department of Lands in the draft Bill. My colleague, the Secretary for Agricultural Economics and Marketing, and myself agreed that the time had come for the establishment of a broader planning body. There has to be someone to decide how we should deal with the surface area of our land. As has been said, the surface area of our country is limited. Demands are continually being made on it in the form of parks and seaside resorts that are laid out, national roads that are built, aerodromes that are constructed, areas that are set aside for military purposes, land that is fenced-off for mining development, group areas that are proclaimed, etc. Because our agricultural land is limited we cannot simply proceed unsystematically and take unco-ordinated steps. It would be essential to have the highest degree of co-ordination in order to utilize the limited surface of our country in the best way. We should really be jealous

of our highly productive and fertile land. There should be a body which would have to deal with everyone laying claim to land. In my opinion this task should not be the responsibility of one Minister only, but rather that of a Cabinet committee assisted by an advisory board. The small-holdings are developing, and there is no reason why this should not happen, but where there is good agricultural land, steps should be taken to prevent this from also being divided up into small-holdings. We feel that steps in this direction are very necessary. The same applies to the utilization of land. There is the Natural Resources Development Council, but its activities are confined to certain parts of the country only. That council deals more specifically with industries and the establishment of mines. I am thinking, for example of the mining towns in the North-Western Free State, where this council saw to it that streets, bridges, etc., were laid out systematically. There is a need for a broader body which could be approached by anyone having any interest in land. Originally we thought that a full-time statutory body would be the obvious body to decide about the use and subdivision of land. But subsequently it was felt that there should be a separate board to deal with the subdivision of land and that another board or body should look after the delimitation, planning and utilization of the country's land. I therefore feel that the minimum size should be determined either by the Minister or his Department or the two Departments of Agriculture, that the norms should be laid down and that a permanent office with a secretariat and someone in charge thereof should be established. The board would then not need to be a full-time one, but would only have to meet every two or three months. Although difficulties might be experienced at first, I nevertheless feel that after a while everything would go smoothly. As regards the local committees, I do not think there would have to be many of them. Appearing in the Henning Report is a form containing all kinds of information. It was hurriedly prepared and could probably be greatly improved upon. I am anxious that there should be a card-index system with particulars of every farm in the Republic. Every extension officer should have such particulars in respect of the farms in his ward. The index cards should indicate what people there are on every farm, the size of the land, the calf production, the maize production per morgen, etc. Then by pressing a button, as it were, one could establish straightaway who and what there were on each farm, what the carrying capacity of the farm was, the number of cattle and sheep, etc. This should not be impos-

sible. If this information could not be obtained directly by the board, but had to be obtained in a cumbersome way, chaos would result. The board would, for example, not be able to investigate every person's circumstances. I therefore feel that the proposed legislation could be successful.

140. *Mrs. Van Niekerk.*] You referred to two departments that would have to be represented on the board. Would it not be three departments, namely, the two Departments of Agriculture and the Department of Lands?—(*Dr. Vorster.*) The original idea was that the board would also have to do the zoning work. The Department of Lands is really the trustees of the surface area of our country and zoning work is their task. Here the position is somewhat different, as we are dealing with farming, and that is the task of the two Departments of Agriculture. I have no objection to the Department of Lands being represented. The Department of Lands, however, should really be guided by the two Departments of Agriculture, *inter alia*, when decisions have to be taken in regard to the sizes of plots. The Department of Lands is not organized for this kind of work, as it does not have officials with the technical knowledge required. They do have officials with degrees and diplomas in agriculture, but the Department of Agricultural Technical Services, with its technical services, extension officers and experts in various fields, is specially organized for this work, and what is more, it works in very close conjunction with the economists of the Department of Agricultural Economics and Marketing. Therefore I feel that, because it is the task of the two Departments of Agriculture to take action in regard to production and the economics of farming, these two Departments should be represented on the board.

141. You also said that you were in favour of a broad planning board. You referred to a card-index system in order to have various particulars in respect of farms available immediately. Do you think that your Department could introduce such a system?—In 1947 I saw this system in operation in Denmark, and this gave me the idea of having a similar system in the Republic. We have extension officers, stock inspectors, etc., and I have already recommended the collection of particulars—called survey studies—by extension officers. When calling on each farmer in his region every information officer has to fill in various particulars on a form or card. We do have census figures, but these are not entirely satisfactory for this purpose. The officer should gain the confidence of every farmer and try to find out how many cattle he possesses, how many sheep he has, what paddock system

he applies, what his annual maize crop is, etc. With such information a system could be built up. When another extension officer is appointed there he will have all the necessary information at his disposal. In regard to cattle inspectors, every inspector is allocated a zone and he has to visit every farmer at least once a year. He then fills in on a card what diseases occurred on the farm, the number of deaths, etc. Just recently Senator Henderson said in the Senate that we did not know how many animals died each year as a result of eating poisonous plants. The stock inspectors could try to find out from every farmer how many cattle had died as a result of eating poisonous plants. It will take some time before all the desired information has been recorded, but it is not an insuperable problem. At present, therefore, we are busy compiling such cards. I should also like to know what radio programmes our farmers listen to, what their standard of education is, what they read, etc. A mass of interesting information could be obtained. One day a Department of Agricultural Finance may still be created, and in order to help people according to their merits, various particulars would have to be available. The human characteristics of a farming family should be known, for example, what training the farmer has had, etc. The system is physically possible, because I have seen it work in other countries. In our case it would just take longer to collect all the information and record it systematically. In any case it would have to take place over a period of years. At the outset there would not be enough information available. The present position is that, if the Farmers' Assistance Board is approached for aid, my Department is approached and one of my extension officers is then asked for details concerning the applicant. My Department continually has to provide Farmers' Assistance Committees with information in connection with assistance rendered to farmers. I wish to emphasize that this system has to be tackled systematically, so that in due course we would have all the necessary information on the cards. A farmer might become insolvent or move away but his card would then be endorsed accordingly. I do not think I am being too idealistic when I hold out the prospect of this system.

142. In Southern Rhodesia a farm is not made over to a farmer before the potential, the water supply, etc., have been investigated and planned to the last detail so that he knows exactly what he will receive. What do you think of their system?—Southern Rhodesia is, of course, a much younger country than the Republic and one of the advantages enjoyed by a young country is that improved systems which eliminate

the weaknesses in the systems of older countries can be put into operation. To mention one example: When I was in Britain, people there informed me that they envied us our technical services because they were organized in such a flexible and fluid way. There they are hampered by old traditional systems.

143. Do you think that the legislation now being discussed and which is regarded as a future measure could in fact save the situation? Furthermore, do you think the Agricultural Union has sufficient influence amongst the farmers to ensure their co-operation for the successful application of the measure?—The position as I see it would be that, as from a certain date, the uneconomic subdivision of land would be prohibited. I am not afraid that the farmers would not support this measure, because the sensible ones amongst them—and they are surely in the majority—feel very strongly in favour of such legislation. There is a very strong feeling in favour of consolidation amongst the farmers, because they themselves see what problems are created by uneconomic division. The activities of the N.R.D.C. have extended over certain parts of the country for a number of years already, and I have never yet heard of any serious problem of resistance or anything like that being experienced by them. Occasionally there is an appeal to the Minister of Economic Affairs, and there should of course be a right of appeal in a democratic country. Experience gained by the N.R.D.C. in this connection would be of great value to us. The N.R.D.C. has full control over its activities, of course, and its legislation is of a drastic nature; yet one never hears the public talking about it. It is accepted as a matter of course. Personally, therefore, I am of the opinion that there might be criticism and opposition from some estate agents, but I do not care. I am thinking now of cases that occurred in Bronkhorstspruit where people working in Pretoria and Johannesburg wished to live outside the city. Small subdivisions of land are sold to people and they use their savings to pay for land which has to be returned a year or two later because drought has destroyed all their plans in regard to the land. The next buyer goes through more or less the same experience and the agents make tremendous profits by means of forfeit money transactions. It breaks one's heart to see how pensioners and others who can hardly afford it are exploited in this way. That kind of love of the soil can therefore easily degenerate into the wrong kind of love.

144. *Mr. Botha.*] What do you think of the idea that legislation should be with retrospective effect, so that it would

also apply to land already subdivided but not yet sold?—This is a difficult matter on which I cannot easily express an opinion. I do not know how far back the measure should apply. There might be people who subdivided land in good faith and who would suffer financially if the measure were made applicable to them as well. The questions of credit provision to farmers, consolidation of land, financing of farmers, etc., will have to be dealt with in the future. These are things that will take a long time. The position referred to by you would have to be investigated very carefully, as there are many implications involved. We should not like to prejudice people by legislation with retrospective effect. What may perhaps be considered is a timeous announcement by the Government which may have a deterrent effect on the people and thus put an end to this process. But I feel that there is undoubtedly a danger that some people may be treated unfairly.

145. Do you think appeals should be addressed to the Minister, or to a court—which would entail the usual high costs?—In many laws provision is made for appeals. I feel that in this measure provision should be made for appeals: Firstly, appeals may be made directly to the Minister; secondly, the Minister may create a court of appeal or board of appeal in terms of legislation; thirdly, a special court—such as the Water Court—may be established. I feel that, as far as the ordinary courts are concerned, appeals to them would be too expensive. I am thinking now of our Livestock Improvement Act, 1963. If a bull is branded and it is disapproved, the owner may appeal. The Minister concerned then appoints a small board of appeal, which gives its finding. In terms of the provisions of the Plant Breeders' Rights Act, 1964, provision is made for the appointment of a magistrate or some other person with legal knowledge as chairman of a small board of appeal. Appeals to such forums are much cheaper and easier than appeals to our courts. I am also thinking of the fact that when fruit for export is rejected in the docks, there is provision for the rapid appointment of a small board of appeal consisting of farmers and other people to deal with the matter quickly. In my opinion a similar procedure could also be embodied in this measure. When appeals have to be addressed to the Minister it places him in a very difficult position if he has to give a decision. Under the Marketing Act there is also the right to appeal to the Minister. I feel that the Committee should recommend whether appeals should be addressed to the Minister or whether a special board of appeal should be established. Per-

sonally I feel that the ordinary courts are too expensive. There is always the possibility that some people might suffer an injustice rather than submit an appeal with the accompanying high costs.

146. Taking into consideration the extent of the problem, do you think that the proposed board would be able to handle everything, or would it have to be divided into regional boards similar to our Land Boards?—In the draft Bill a small board was envisaged because it was to consist of permanent members. They were to serve in a full-time capacity. But as I see the matter I do not think we need a full-time board. On account of the various Government Departments that would play a part in the application of the law, however, it would of necessity have to be larger than proposed. The Department of Lands would be concerned in the matter and perhaps the Department of Water Affairs as well. I also feel very strongly that at least two members of the South African Agricultural Union should serve on the board. I feel that the measure should not be set out to the last detail, as this would quite probably just lead to amendments having to be made each year. I think that only the general principles should be stated and that for the rest regulations should be framed. As regards the number of members who would serve on the board, I am now thinking of the Natural Resources Development Act. There the minimum and the maximum number of members who may serve on the board are indicated. This allows the responsible Minister some scope. For the proposed board I have in mind a minimum of five and a maximum of ten members. If it were provided that the board would consist of five members, for example, and it appeared in practice that this was not enough, it would again entail a great deal of trouble to get the necessary amendments approved. As far as regional boards are concerned, I want to mention that I do not have much faith in them. The central office could collect information from my regional offices and extension officers. The board could also ask for information from other Government Departments, and farmers could be requested to furnish any particulars required. Statutory provision ought to be made in order to make the supplying of information upon request compulsory. I feel, however, that there are already too many committees in this country. I feel that we are becoming over-organized. As far as the collection of information is concerned, the system whereby my Department advises the N.R.D.C. and the Department of Lands is quite effective. The desired information is received from all over the country. It is not necessary to have a local

committee to collect information about all the physical details, the carrying capacity, etc., of a farm.

147. *Mr. Taurog.*] Are you in favour of the establishment of regional committees to deal with appeals?—No, I am not in favour of regional committees. The members of the board of appeal would not be appointed permanently. If an appeal were received from a person in the Boland, for example, persons who were acquainted with the Boland would be appointed as members of the particular board of appeal. Each time an appeal had to be dealt with an appeal board which was acquainted with the area concerned would be appointed. An appeal board might be appointed in the Western Province and at the same time another one might be appointed in a different part of the country. I do not feel that there would be any need for local committees, because the channels for obtaining information are there. However, one would have to see how matters develop.

148. In your opinion, how many applications for the subdivision of land would there be annually?—At the outset there would probably be many, but they would rapidly decrease. As I see the position, however, the main problem would be bequests. Legacies have caused many difficulties in the past. It is recommended in the Du Toit Report (European Occupancy of the Rural Areas) that country-wide propaganda should be made that testators should not subdivide land injudiciously for the purposes of inheritances. I do not know whether the position still assumes serious proportions to-day, but I feel that there should be legal provision that, although children would be allowed to inherit, the land could not be subdivided in certain cases. Sometimes hereditary tenure also causes much difficulty. A certain farm in the Colesberg district, for example, may not be encumbered for thirty generations. Soil conservation cannot be applied there, as the occupant cannot take a loan. The original testator felt that the land was not to be alienated for so many generations and that there was to be no encumbrance on the land.

149. *Mr. Vosloo.*] Do you not think it would be preferable if all control over the subdivision of agricultural land were concentrated in the hands of the proposed board only, instead of in the hands of various bodies such as the N.R.D.C., provincial administrations, departments, etc., as is the case at present?—Although some of my colleagues differ from me, I feel that if a law is introduced by the Government and a Minister is responsible for the application of the law, then other bodies should not have powers in the same sphere. It is the same country and the same Government, after all. If

according to law the subdivision of land is dealt with by the board, then the board's decisions and actions should be binding on everyone, including other Government departments. Of course, the Cabinet has the highest authority and exceptions are probably allowed to be made, but I feel that uniform and consistent action should be taken throughout. As far as the authority of the provincial councils is concerned, it ought to extend only over cities and towns. Agricultural land is the responsibility of the Central Government. Quite probably the relevant ordinances would therefore have to be changed. The board should have the sole right in connection with the subdivision of agricultural land. The board would, of course, be able to advise other Government departments.

150. Do you think it would be practicable to persuade testators to obtain the board's advice in appropriate cases before drawing up their wills?—It is so, of course, that attorneys and banks are the ones that are chiefly concerned with the drawing up of wills. I feel that circulars should be sent to them so that they could inform their clients and advise them to take the necessary steps. The testator could then inquire from the board what more or less was required of him. I do not think any difficulty should be experienced, and the testator could then see to it that the land he was bequeathing was on the large side. It should be made clear that, if the subdivision was not satisfactory, it would be impossible to carry out the terms of the will.

151. *Chairman.*] If this legislation came into operation, what action would be taken in a case where land had already been bequeathed to future generations and the second generation, for example, was occupying the land that was regarded as uneconomic?—The State would have to intervene in the interests of the heir and of the country.

152. *Mr. Muller.*] In terms of Act No. 21 of 1940 subdivisions of fewer than five morgen in size have been prohibited in certain areas since 1940. Furthermore, the Townships Ordinance in the Cape Province has for many years already stipulated that certain subdivisions may not take place. All these years people have submitted to these limitations and have accepted them. Do you think there would be a reaction of another kind if the legislation which is now being discussed were applied?—There are people who would feel that this measure was drastic in so far as it affected the freedom of the individual. However, it is wonderful how law-abiding the South African people is. If legislation is applied with fairness there is usually no trouble.

153. *Chairman.*] Say, for example, the board decided that

four or five heirs could not subdivide an inherited piece of land, but that only one heir should inherit it and should pay out the other persons. What would the board do if the land was uneconomic for him, too, as a result of the fact that, in addition to the compensation he had to pay to the other heirs, he also had a mortgage on the land?—This type of problem is dealt with in that section of the Du Toit Report that deals with bequests. The Du Toit Commission also issued a warning that parents should take care that the market value was not higher than the actual productive value in cases where heirs had to be bought out. We have come across many cases where parents allowed their children to inherit in such a way that in the long run the one who had the land was virtually bankrupt. If three or four children inherited a large farm and no one wished to sell his portion, a company could be formed. Many companies consist of five or six persons who own a shop or a piece of land. The land would then remain an undivided unit with every heir the owner of an undivided share.

154. *Mr. Wentzel.*] Could the heirs live together on the undivided farm?—That could happen, but the Soil Conservation Committee would have to exercise the necessary control. For example, one would not be allowed to keep too much stock, etc. The farm would then have to be planned as a unit.

155. Would the proposed system not cause a great deal of delay?—If the procedure were streamlined to a considerable extent the position would not be too unbearable. It would most probably be impossible to deal rapidly with the borderline cases. In most cases no delay would be experienced.

156. Would all cases be dealt with by the board?—Yes, and that is why I want the establishment of a permanent office with a director. He would deal summarily with most cases, and only the borderline cases would be referred to the board. I think the same principle is applied in the case of the N.R.D.C. The simple cases are dealt with administratively. Dr. Rautenbach consults Dr. Henning and together they decide on the matter. The borderline cases, however, are brought before the board. That is why I want a permanent office with a full-time executive officer—who should be called a director—that would deal with the cases that would come in every day. He should have no other duties. My experience makes me feel convinced that if he had other duties as well, the work would necessarily be delayed. The special cases to be investigated would necessarily be delayed. But with the right methods the system ought to work smoothly.

157. Do you think that at this stage your Department could

provide the necessary staff to give the technical guidance?—I agree that only the technical people are able to take the lead, and our staff position in that regard is continually improving. As far as the amount of work is concerned, I take it that the percentage of farms which are subdivided annually is rather low. The country is divided into seven regions, each with its own head office. There would not be continual transfers of staff. The next step would be the consolidation of land. Many countries in Europe have already taken action in that regard. Personally I feel that large sums of money should be set aside annually for the purchasing of uneconomic units. A great deal of money would have to be spent on consolidation in order to solve our farming and agricultural problems.

158. *Mr. Muller.*] There are a number of deeds offices in South Africa, each with its own area. Is it not possible that a local office—in collaboration with the local deeds office—could each month refer the borderline cases to a small committee serving that area? If the committee's decision were unfavourable, an appeal could be made, which would, of course, be a long process. I think a major problem would be created if there were delays lasting for months in dealing with each borderline case. How do you feel about this matter?—It is precisely the borderline cases that would be the difficulty. If decentralization were applied a central board would not be necessary. The central board would not deal with the ordinary cases, but only with the difficult ones. Although a decentralized system would be a quicker one, it would nevertheless mean that there would be no co-ordination. In my opinion the system would work the quickest if the Minister entrusted the implementation of the policy to the director. All the departmental officials would be at the disposal of the director, and in my opinion this system would be the quickest way of dealing with the various cases. Various officials are appointed by the Minister to implement certain legislation. In the case of the Plant Breeders' Rights Act, for example, a registrar has been appointed. The officer in question carries out the policy on behalf of the Minister and there is a committee which assists him in carrying out his duties. I wish to emphasize that there should be a central bureau with a director in order to ensure a uniform policy and quick results. There would be different regions and to that extent there would in fact be decentralization. The Minister, of course, always remains responsible to Parliament. Other interests would probably also want to have a say, but they would not really have much say, because the Minister would determine what the different standards and norms should be. Personally

I prefer the system proposed by Mr. Muller, provided that a central body is then not established.

159. *Mr. Wentzel.*] Do you think that the Minister should only formulate the policy?—Yes, and he should appoint one of his senior officials to implement it. There are such officials who act in terms of various laws and they report to their Ministers. Perhaps the public would be more satisfied with a board on which various interests are represented, but it would not be possible for the board to be occupied on a full-time basis, and it would meet, say, every three months. The important person would be the one who has to deal with the correspondence and the administration. Naturally there would be a great deal of correspondence. The problem in connection with a part-time board that would meet every few months would be the fact that all correspondence which might be relevant would have to be sent to them beforehand. On the other hand the board might be relatively small and hold monthly meetings, but it should not travel all over the country. That would entail heavy expenditure on travelling costs, etc. It is my experience that the smaller a body is, the better the task is accomplished. As a matter of fact, I think a one-man committee brings the quickest results. In my own Department the various committees cause me a great deal of trouble, because when they have to meet there are often one or more members who are absent because of some reason or other.

Thursday, 11*th June,* 1964.

PRESENT:

Mr. Keyter (Chairman).

Mr. S. P. Botha.	Mr. Taurog.
Mr. G. P. Kotze.	Mrs. S. M. van Niekerk.
Dr. Moolman.	Mr. Vosloo.
Mr. S. L. Muller.	Mr. Wentzel
Mr. Streicher.	

Messrs. S. J. J. de Swardt, Secretary for Agricultural Economics and Marketing, and *S. P. van Wyk,* Assistant Chief, Division of Agricultural Economic Research, Department of Agricultural Economics and Marketing, examined.

160. *Chairman.*] The Committee has received your Department's comments on the proposed legislation. Do you have any objection to it forming part of the record and being printed?—(*Mr. De Swardt.*) No, I have no objection. The comments read as follows [*Translation*]—

1. The following comments on the injudicious subdivision of agricultural land, following upon a request by the Select Committee, are dealt with under the following three heads:

I. Motivation for control over injudicious division of agricultural land.
II. Method of control.
III. Certain problems in exercising control.

I. *Motivation for control over subdivision.*

2. The question of injudicious subdivision of agricultural land has been receiving attention for years. Agricultural leaders and others have from time to time expressed great concern about it. In addition it has been repeatedly dealt with in publications on problems of the agricultural industry, as well as in publications where utilization of land and the occupation thereof have been discussed. Some of the more important publications in this connection are Part I of the Report of the Carnegie Commission—Rural Impoverishment and Rural Exodus, 1932; the Report of the Reconstruction Committee of the Department of Agriculture and Forestry, 1943; and the Report of the Commission of Inquiry into European Occupancy of the Rural Areas, 1959. The matter also came to notice pertinently when it was debated in the House of Assembly on 2nd February, 1962. This led to the appointment of an Interdepartmental Study Group on the Uneconomic Subdivision of Agricultural Land, which reported in 1963, and the draft legislation now before the Select Committee is a direct result of the discussion in the House of Assembly. The preceding also serves as conclusive proof of the gravity of the matter.

3. In discussions on uneconomic farming units examples of injudicious subdivision are constantly quoted. The reasons for it and the dangers attached to it are pointed out, and measures for combating and preventing it are suggested.

4. Statistical data on the extent of the problem of uneconomic farming units and on the reasons why units are uneconomic are not available. However, uneconomic farming units as a result of farms that are too small have always been strongly emphasized in discussions of the

problems of uneconomic farming units. Numerous examples may be quoted. Bodies and authorities that have investigated this matter were satisfied that the subdivision in certain areas was of such a nature and extent that it constituted a material threat to the continued existence of a prosperous and independent farming class in such parts.

5. The more important factors that have contributed and are still contributing to injudicious subdivision of agricultural land are the traditional system of bequests, the Afrikaner's inherent urge to own land, land speculation, the high capital requirements of modern farming, particularly as a result of high land values, the lack of expert advice on land values, deficient knowledge among many land buyers about the production potential of a farm, and the lack of adequate legislative measures to prevent injudicious and unbeneficial division of agricultural land.

6. The consequences thereof fall under three heads—economic, agricultural and social. Among the economic consequences economic impoverishment and greater vulnerability to natural setbacks are probably the most important. Among agricultural causes the emphasis falls on systems of farming that result in wasteful exploitation and exhaustion of the land. The abovementioned Reconstruction Committee puts it as follows: "This unsound practice has indeed reached alarming proportions in certain areas, and is, no doubt, the cause of the ruination of many a farm which had previously been a real asset to the country." In regard to social consequences the Commission of Inquiry into European Occupancy of the Rural Areas states, *inter alia*: "As soon as land becomes too small, impoverishment sets in, followed in turn by a lower standard of living, social retrogression and concomitant evils, as well as cultural and educational decline."

7. The size of the land, however, is only one of many factors which determine whether or not a farming unit is economic in extent, but it is certainly an important one. Of importance here are physical, economic and sociological factors such as climate, quantity and quality of natural resources, relationship between natural resources, the farmer's managing ability, financing of the enterprise, relationship between prices of products and means of production, price tendencies, way of life of the farmer and his family, and so forth. Some of the abovementioned factors, such as prices, are subject to relatively short-term fluctuations. Others, such as managing ability, method of financing and the way of life, change over a longer period, but neverthe-

less vary in the case of different farmers on the same unit. It is therefore clear that a unit may under a specific set of circumstances be an economic one, but if it changes hands, for example, this need not necessarily still be the case.

8. Lands that have been injudiciously subdivided, thus resulting in uneconomic units, offer little opportunity for adjustment, unless there is an opportunity of adding to the unit more land adjacent to it or in its vicinity.

9. It remains important, however, that measures for the prevention of injudicious subdivision of agricultural land be taken as far as practicable. But it should be realized that with the institution of a board of control over subdivision of agricultural land only preventive action could be taken. It is nevertheless an important function that could contribute a great deal to the establishment of a sound rural population.

II. *Method of Control.*

10. The important question is: What kind of powers are necessary and how are they to be applied administratively in order to achieve the object in mind without provoking opposition on the part of the public? An attempt is made below to indicate in broad outline how this could be done.

11. It should be realized from the outset (as has already been stated) that the contemplated exercising of powers in terms of the proposed legislation could only deal with new cases. However desirable it may be to make existing uneconomical sizes of farms economic again, it would not be possible to do so under this legislation and the proposed board. With the powers provided in this legislation it would only be possible to prevent further subdivision of such a nature as would allow the continued coming into existence of farms that are too small.

12. It is readily admitted that the area of the land alone is no reliable criterion for determining whether or not a farm is of an economic size. It is therefore suggested that the actual criterion to be used in determining the minimum sizes of farms is *the nett income that an average farmer could earn* from the farm concerned *under normal circumstances*. Here it is important to stress "average" farmer and "normal" circumstances. As soon as allowance is made for the special person (with special knowledge or a special type of farming), it is going to open the door to circumvention. Conservative action will have to be taken. Where at a particular time a farm may be allowed to be smaller for the needs of a particular person than it would be

allowed to be for the "average" farmer, it may subsequently be found, after the person having the special qualities has sold or fallen away, that the land is too small to be an economic unit for the average farmer in the particular vicinity. Similarly, undersized units will have to be guarded against during periods when prices are higher than normal, or after a series of favourable years. The problem of the special farmer and the part-time farmer will be reverted to later.

13. The determination of the size of the nett income that has to serve as a standard is a *matter of policy* about which the Minister concerned would have to decide on the advice of the board and the advisory committee. When this amount is being determined the starting-point would have to be the minimum income required by a family on a farm to make a decent living after provision had been made for essential expenditure. In this connection certain concessions would also have to be considered, such as whether the attitude should be adopted that the land could be unencumbered or partly encumbered with debt, in other words, whether allowance should be made for interest on borrowed money before the nett family income is determined. The writer suggests that it be accepted that the farming enterprise should be able to earn interest at 5 per cent per year on 50 per cent of the capital value of the land (assessed at equitable current valuation for the vicinity) over and above the nett family income. As in the case of the income itself, however, this is a matter of administrative policy that does not affect the method.

14. That the proposed method is practicable has already been proved by the Natural Resources Development Council (N.R.D.C.). As is known, the subdivision of land in certain proclaimed areas is subject to the approval of the abovementioned Council, and in the case of agricultural land the calculated nett income criterion is taken as a norm to determine whether a piece of land is not becoming too small as a unit for farming purposes. Officials of the Departments of Agricultural Technical Services and Agricultural Economics and Marketing make the calculations and recommendations for the N.R.D.C., but the Council itself decides.

15. The starting-point of the N.R.D.C. is the determination of the smallest size of land that under particular circumstances would ensure the entrepreneur with average managing ability of an average family income that may be regarded as adequate. The calculations for a particular

unit are made on the basis of the following technical information:

(i) The potential of the various kinds of soil and types of veld in terms of factors such as rainfall, type of soil, depth, slope, degree of acidity, etc., in the area concerned;

(ii) the area of the various kinds of soil and types of veld of the unit concerned, with an indication of the most suitable crop rotation system and use of grazing on it.

16. Where provision is only made for farming expenditure, the total nett income for the unit concerned is calculated on the basis of the abovementioned physical information by the application of appropriate economic standards. (The economic standards in respect of each facet of the farming enterprise may be defined as the average nett income, taken as the average for a few seasons, that a group of average farmers would be able to achieve in respect of every facet under similar physical and economic circumstances.) The nett family income is then calculated by reducing the total nett income by an allowance for interest on borrowed capital (reasonably assessed) as well as an allowance for capital formation. The calculated nett family income is then compared with an income standard of R1,500 per annum. This amount has been determined on the basis of information obtained in regard to the income levels of a number of population groups.

17. No views are expressed here on the particulars of the method underlying the criteria used by the N.R.D.C. and its advisers, except to point out that nett income has been found to be a useful criterion for determining under particular circumstances how small a piece of land may be to comply with acceptable standards. It is already working in practice. It may still have deficiencies, but these can be improved.

18. The basis on which the calculations are made for the N.R.D.C. is set out in an article—"Determination of an Economic Farming Unit", in *Agrekon*, Vol. 2, No. 1, January, 1963.

19. On the basis of the preceding, and of the draft legislation before the Select Committee, which is supported in general, the following proposals are made:

(1) That the *Minister* concerned lay down *the policy* according to which the proposed control over injudicious subdivision of agricultural land would be exercised.

(2) That a full-time *board of control,* over subdivision of agricultural land be established to carry out the

Minister's policy administratively. The functions of the board would be mainly of a juridical nature, for the board's decisions would necessarily affect the established rights of many owners radically. It is desirable that this body should make its decisions on the granting or refusing of division or consolidation of private land (including transfer of title) on the basis of information and evidence placed before it. The evidence might be given by applicants, the board's officials, officials of Government departments and even outsiders.

(3) The board should consist of a full-time chairman, assisted by a minimum of two and a maximum of four full-time members. Normally the board's decisions should be regarded as final. It would be desirable, however, to make provision for appeal against these to the responsible Minister under special circumstances, for example, where doubt exists about certain aspects that influence the decision. Only by means of such provision would the Minister be able to have personal knowledge of how his policy was being carried out and of the special problems connected with it.

(4) The board and the Minister should be assisted by an *advisory committee*, appointed by the Minister, in respect of advice on policy, standards, etc. This committee should consist of representatives of interested Government departments, organized agriculture and persons having special knowledge and experience of matters relating to the implementation of the legislation. When it deems it necessary, the committee should have the right to advise the Minister directly, without being requested to do so by the board. Normally, however, there should be close liaison between the board and the committee. The Act would therefore have to make provision for the advisory committee to be able to advise both the board *and the Minister*.

(5) As every case would have to be dealt with on its merits, because minimum size of land cannot be laid down on a regional or district basis, it is deemed desirable that the board should have the right to appoint *local committees* consisting of not more than five members to advise it on information of a local nature, including a factual report on the land to be divided.

(6) For the execution of its task, the board would of course also have to have the necessary staff, who would be responsible for the work to be performed in the board's own office or offices, but as far as practicable, the board

would have to have the right to make use of the services of officials of Government departments.

20. The technical aspects of the legislation, such as those affecting the Surveyor-General, the deeds offices, etc., are not elaborated on here. These aspects are left to others, and may receive attention after it has been decided that the proposed legislation is acceptable in principle to the Select Committee.

21. From the policy point of view, however, there is an aspect that should be taken into account, namely, the position of the State itself where it sells land to farmers. As the draft now reads, it may be interpreted as meaning that the State would in no way be restricted as regards selling farms of uneconomic size to farmers. Such a thing would be unfortunate. The State should set an example in this regard. There should be only one Government body that determines how small a particular farm which is sold to a particular farmer may be, and that is the proposed board.

III. *Problems in exercising control.*

22. The first important problem that the board would probably have to deal with, is in connection with the minimum nett income level to be taken as a criterion for a family to make a decent living from farming. In addition there are the criteria that are necessary for determining what nett income an average farmer could under normal circumstances earn in the various parts of the country from particular types of farming. The Department of Agricultural Economics and Marketing already has a great deal of information in regard to the last-mentioned aspect, but it has to be admitted that there are still shortcomings in this connection. It is nevertheless anticipated that the Department will soon be in a position to furnish the necessary information to the board as regards those parts of the country where the danger of undersized farms threatens.

Variations according to types of farming in particular regions.

23. Particular types of farming system are applied in particular regions, but along with these there are also the specialized types of farming, such as with chickens, flowers and bees. Could the specialist type of entrepreneur, who needs only a very limited area, be expected to buy the same extent of land as the person with average managing ability

who does not practise a farming system of the specialized type? Here the approach should be that the specialist type of farmer might only be temporarily on the particular piece of land. Furthermore, the improvements made by them are often of little or no value to the next entrepreneur. It is therefore dangerous to allow land to be permanently subdivided for the practising of a type of farming that is of a special nature. In such cases it would be better if people who carry on such undertakings hired land, or bought land of the minimum size permissible and leased to others the portion that they themselves could not utilize agriculturally. Of course, many such small units are already available. A further alternative as regards the practising of such specialized types of farming is in those parts of the country where provision will have to be made for part-time farmers (*see* next paragraph). It is anticipated that when the proposed legislation comes into operation there would be greater encouragement to hire small pieces of land rather than buy them. This might be in the long-term interest of persons with small capital resources.

Part-time farmers.

24. As is well-known, there are thousands of part-time farmers, particularly around the cities and around industries away from cities, i.e. where persons who hold some position or other live on a small farm and do part-time farming there. This is a phenomenon that will have to be recognized and provision for this is definitely deemed necessary. It would be undesirable, however, to allow subdivision for this purpose to continue in an undisciplined way. The board could, however, restrict provision for this (small units for part-time farmers) to specific areas. That is, the board should have the power to recognize and proclaim certain areas as areas where the requirements for full-time farmers do not apply. This provision is very important.

Other authorities.

25. As has been observed previously, it is extremely desirable that there should in future be only one authority in respect of the subdivision of *agricultural land;* it is therefore necessary that the N.R.D.C. and the provincial authorities should in this regard relinquish their present rights. Thence, for example, the provision in clause 17 of the present draft legislation.

26. It should be accepted and recognized that all land

that is not owned by the State or does not fall under the specific jurisdiction of a public body in terms of a particular Act or ordinance should be deemed to be agricultural land the ownership of which cannot be changed without the knowledge and consent of the proposed board.

161. Is there anything you wish to add to these comments? —Yes. Part II of the memorandum deals with the method of control. This method is already being applied by the Natural Resources Development Council and the Department of Lands, and I assume that this Committee is agreeable to the idea of control, but that the question of whether it would be practicable has to be considered. My experience is that most people's misgivings about this proposed legislation are in regard to its practicability. Therefore I want to confine myself mainly to the practicability of the measure. Nevertheless I want to touch briefly on Part I of the memorandum. Part I deals with the motivation for control over injudicious division of agricultural land. This kind of division is, of course, a very old problem. One of the factors which determine whether or not a farming unit is economic in extent, is the size of the land. This is a very important factor, and it is dealt with in paragraph 7 of the memorandum. If steps are going to be taken in this connection then the emphasis should fall on prevention. It would be wrong to assume that the proposed Act with its central board and the strict control measures and so forth would put the matter right without any difficulty. The fact is that what has been bungled, has been bungled. The purpose of such legislation would only be to prevent the process under discussion from continuing. Other remedies will have to be found to deal with existing conditions. I should now like to say something about the method of control. As far as this particular subject is concerned, there is only one criterion that can be used, namely, income. It would not be possible to decide according to the size of the land. It is known, of course, that in the Transvaal, the Orange Free State and the Cape Province the respective ordinances provide that subdivisions should not be smaller than 25 morgen. I feel that that approach is unrealistic. In my opinion the starting-point should be income. The income that a specific piece of land could yield should be determined, and the amount of the income should determine whether or not the land is in fact economic. I readily concede that this starting-point is not without its problems. To mention only one example, one person could make a good living on, say, 20 morgen, whereas another person would only make a pre-

carious living on similar land of the same size. It would all depend upon the farming system that is applied and the special knowledge which the farmer has. You are, of course, aware that a specialist who undertakes a special kind of farming on a small piece of land will do better than someone who farms there in the traditional way. These are problems which have to be faced. I am of the opinion that the problems can be solved by adopting the attitude that we are dealing with the average farmer and not with a specialist. After all, there are only a few specialist farmers, and they are a group on their own. I also wish to emphasize that, although the income norm might be the same for the whole country, norms would quite probably have to be laid down on a regional basis. This is something that the administering Minister and his board would have to determine. It is important that the average farmer be taken as a norm—a farmer possessing average knowledge, managing ability, etc. Because one would naturally have to proceed in a conservative way, normal circumstances would have to be our starting-point. Exceptional prosperous periods of short duration should not be used as a basis in the determination of norms—and here I am thinking of the short-lived boom period in the pineapple industry in the Eastern Province, and the sensational potato fortunes made by some farmers on small pieces of land during the war years. One should rather apply a long-term approach. In paragraph 12 it is stated that nett income should be used as a criterion, and I shall now discuss this. The size of the nett income is a matter of policy, and it would have to be determined in relation to other income groups. One would have to decide what should be the minimum income from the land to ensure a decent living for a man and his family. After a decision had been taken about the nett income amount, all kinds of calculations would have to be made, and this is also a matter of policy. *Inter alia* one would have to determine what proportion should be allowed as borrowed capital and what rate of interest shall be accepted as a criterion. Naturally the criteria would not vary from one case to another, but would have to be the same throughout. However, they could vary accordingly as certain factors changed in the course of time; for example, when money became cheaper or more expensive, the rate of interest would be adjusted accordingly. In addition to the rate of interest, redemption payments, the building up of capital, etc., would have to be taken into consideration. But these are all questions of policy. The point I really wish to make is the following: Nett income and certain subsequent adjustments, which would then be the

family income, ought to be the starting-point in determining what the minimum size of land in a certain area ought to be. All sorts of information would, of course, have to be obtained for the purposes of such a calculation. Should figures be available in respect of a piece of land, it would be easy to make the calculation, but otherwise the average figure for that region would be used. One of the problems which would be experienced with such calculations would be the absence of norms in many cases. This would be one of the practical problems. Figures are available for the larger part of our country, but in respect of some areas the particulars have not yet been obtained. However, this is a temporary problem which ought to be solved without much difficulty. The method of control which I have now outlined and which is dealt with in greater detail in my memorandum has already been accepted by the N.R.D.C., which has large areas of the country under its control. This Council does not confine itself to agriculture alone but also has control over changes in the utilization of land. Consequently, if land on the Free State Goldfields has to be divided, the Council's permission first has to be obtained. When the subdivision of agricultural land is contemplated, this Council approaches both my Department and the Department of Agricultural Technical Services for recommendations in regard to the economic aspect of the subdivision. In this regard the method of using family income as a criterion has been applied and developed. Just recently the Department of Lands also changed over to the use of this method. This method has been thoroughly worked out and it has been found to be quite practical. It is difficult to say precisely what the family income norm should be. Of course, it could also be changed from time to time. Provisionally the amount of R1,500 has been decided upon for nett family income, but this amount can be either increased or reduced if it is not an acceptable one. I should like to emphasize that the minimum income necessary for ensuring a decent living should be the criterion in deciding whether or not land is economic. As has been said, this amount is not a final one, but may be altered, and practical circumstances have to be taken into consideration throughout. Information would have to be obtained. There is basic information which has already been obtained and which enables us to take the necessary decisions. It has been found in practice that this can work. This system would have to be streamlined, and care would have to be taken to ensure that too many delays did not occur. The effectiveness of the system would be determined by the way in which it affected the public. Should the public be

caused too much inconvenience, the harness would chafe and unfavourable reactions would be evoked. But we think this matter can be handled.

162. *Mr. Wentzel.*] Is it possible to determine a decent minimum income for every unit?—Yes, there is a method whereby the minimum income of each piece of land can be determined. It has to be understood that one cannot predict how much the farmer will earn from a specific farm. But the amount the average farmer should be able to earn on that piece of land would have to be calculated. The standard or accepted practices of that vicinity and the known techniques that are applied would, of course, have to be taken into consideration. The calculation would be based on figures that had already been established for that vicinity under average circumstances.

163. On pages 23-26 of Volume 2, Number 1 (January, 1963), of the quarterly *Agrekon* three examples of calculations are set out in detail, and they indicate what variations there may be in one particular district. It is clear, therefore, that the yields of farms in the same vicinity may differ a great deal. Would problems not be experienced if the same method were applied throughout in a particular district?—(*Mr. Van Wyk.*) The very first thing that would have to be done in this connection would be to undertake a socio-economic investigation. One would have to establish what should be regarded as the minimum family income. The board or the Minister would have to decide whether an average family would consist of 2, 3 or 4 children. Personally I think that 3 or 4 children should be the average figure. For the purpose of the study group's report we made a quick random test throughout the country. The expenditure of 180 families was studied, and it was found that the vast majority of these families—who were all resident on small units—needed between R1,500 and R2,000 per annum to make ends meet. The expenditure included, *inter alia*, food, clothing, the education of the children, transport, medical costs, insurance, etc. At the time of the random test there was as yet no method whereby one could establish whether or not the units were in fact economic. Further analysis and study seem to indicate that the figure is perhaps somewhat high and that it should rather be R1,500. The socio-economic investigation would enable us to determine what amount should be regarded as the absolute minimum on which such a family could live decently. The children should be able to attend school up to Std. 10 at least, there are hostel fees to be paid, they should be able to afford

decent clothing, medical expenses have to be taken into consideration, etc. The standard of living would have to be determined. There is one point that I want to make very clear, namely that, just as one finds different income groups in different professions and occupations, so you find them in the farming industry as well. Therefore, a family who lives thriftily but nevertheless decently should be taken as the criterion for a minimum economic unit. In order to determine whether a unit is economic one would have to take into consideration whether the potential of that unit could meet the average living requirements of the farmer and his family.

164. Do you think that the minimum income decided upon should be applicable throughout the country?—My personal opinion is that one criterion should in fact be laid down. If it is said that the people in the Transvaal can live on R1,000 per annum, while the people in the Cape Province require R1,500 annually, I foresee all kinds of implications, even political ones. On the other hand there may be people in certain parts of the country who are willing to get by on very little, and in this connection I am thinking of the Marico Bushveld, where some people are living at a completely sub-economic level. But from a national or policy point of view I feel that it would be very wrong to say that some people should have a higher standard of living than others.

165. Should one not take into account that the minimum income would vary as the expenditure of the farmer increased or decreased?—Of course there is continual progress in the sphere of agricultural technology in the sense that new methods of fertilization, new sprays, hybrid seed, etc., which result in a greater yield per morgen, are used. We accept that as the living requirements of the family gradually increase technological development will also increase, and that this will necessarily provide the family with a larger income. We are of the opinion that the increase in the living requirements on the one hand will be counterbalanced by the larger income as a result of technological development on the other. If the extent of technological improvements is taken into consideration, then these should in fact increase the income to such an extent that it would be more than sufficient to meet the increasing living requirements. In other words, the position of the minimum economic unit should be improving continually.

166. *Mrs. Van Niekerk.*] I wonder whether the reverse has not been the case in the past few years. I concede that technological developments have taken place and that this has led

to greater production and income, but is this increase in income not being absorbed by the increasing production costs, because these have also shown an upward trend?—No, that is not the position. According to the research projects of the Department of Agricultural Economics and Marketing the nett income, even of persons who have only partly integrated technological developments, has improved a great deal, despite higher production costs. On the other hand persons who have not integrated these developments are having a hard time. (*Mr. De Swardt.*) An important point in this respect is that the costs of the means of production have in fact increased. The increased price of certain kinds of fertilizers is an example. Besides, more units should perhaps be used in farming. But the increased yield has more than compensated for the increased costs incurred. A farm should really be regarded as a kind of machine—certain things are put into the machine and subsequently taken out again. What has been put in has cost more, but on the other hand so much more was obtained from it. It has been proved in practice that a larger income is obtained when technological developments are properly applied and integrated, irrespective of whether one farms with maize or with wheat, and even in the case of dairy farming too.

167. In view of the fact that the cost of living is influenced by so many factors and is continually increasing, do you think that the figure you mentioned, i.e., the minimum income required for a decent living, can and should be adapted according as this is justified by the rising cost of living?—The amount of R1,500 was determined by the Study Group on the Subdivision of Agricultural Land. The N.R.D.C. accepted it as a starting-point. I understand the Department of Lands has also accepted it. The proposed board to be established in terms of this draft Bill would have to decide, together with the Minister ,what amount would serve as a norm. This would not necessarily mean that the figure determined could not and would not be changed in due course. But there has to be a starting-point, and it should be borne in mind that the amount would only represent the minimum income and not the average income. No matter what amount was finally determined, one would have to bear in mind that the public would react to it, for it would, of course, have to be made public.

168. In the course of years an amount which is laid down for some purpose or other often becomes quite unrealistic. How would one have to proceed in order to adapt the amount now being discussed to changed circumstances?—(*Mr. Van*

Wyk.) That is a good point. The board's policy could not be of a static nature, as changes which the board would have to take into consideration are continually taking place. It is quite logical that the amount would have to be adjusted as the cost of living rises.

169. Would machinery be created to deal with this particular aspect?—(*Mr. De Swardt.*) In paragraph 19 (4) of my memorandum it is recommended that there should be an advisory committee. This committee should, as it were, keep an eye on the proposed board and should also be empowered to advise the Minister directly. To me the creation of such a committee is of very great importance. I just want to mention that it is proposed that the board and the committee collaborate very closely. But care would have to be taken to prevent the board from becoming an autocratic body, in other words, a body which is never seen, but only the actions of which are made public. That is why I feel very strongly that an advisory committee, which could judge the fruits of the board's labours, should be established. This committee should then reconsider the established norm from time to time to see whether it was still realistic. Should the board not be satisfied with this committee's views, the latter should have the right to advise the Minister directly. I regard it as being of very great importance that the provisions should not be static.

170. As has been said, a cursory, random survey was made of the expenditure of 180 families. How many of these families fell within the minimum economic group?—(*Mr. Van Wyk.*) In this regard I refer you to paragraph 29 of the report of the interdepartmental study group. When that random test was made the method of determining an economic unit had not yet been perfected to the same extent as that which is applied in practice today. We only wanted a rough idea in that connection, and extension officers and home economists made a survey of units which, in their opinion, fell within the minimum economic group. Their judgment was not always very objective, and particularly in the Western Province the family expenditure of these minimum units was, according to their calculations, approximately equivalent to the salary of a departmental head. As a result of analyses made, however, I think that the amount should be approximately R1,500 per annum. In order to determine an accurate figure, research would undoubtedly have to be carried out first.

171. *Mr. Botha.*] Mr. De Swardt, would the proposed measures be of retrospective effect in those cases where subdivision

had already taken place, but where all such subdivided units had not been disposed of yet? To what extent could existing measures be used to achieve our object?—(*Mr. De Swardt.*) As I understand the question, you have in mind a farm that has been subdivided and of which some units have already been sold, while others have not been disposed of yet. You now want to know whether the owner should be prohibited from selling the remaining units before the proposed board has granted approval. I feel that the legislature would have to decide about this. Our attitude is to interfere as little as possible with the freedom of the individual. The Roman-Dutch system of law is applied in South Africa, and we are great patrons of the principle that the individual should have full right of disposal over his property. This measure is drastic enough, for it would not only affect sales, but would also apply to subdivisions from one generation to another. It would therefore necessarily infringe upon a person's right of disposal in respect of his property. My personal opinion about the question put by you is that if it should be decided that the subdivisions were uneconomic, steps should be taken to prohibit the sale of the remaining units. If the proposed legislation came into effect on 1st July, 1965, for the sake of argument, there would undoubtedly be cases of land that had been subdivided shortly before, and of which some units would have been sold and others would still be unsold. It seems to me as though such cases would in fact have to be provided for. If this Committee recommended that legislation in connection with the subdivision of land should be adopted and the departments concerned were instructed to prepare legislation that was submitted to Parliament in due course, people would react quickly and subdivide land before it was prohibited. Where land has already been divided and portions of it have been sold, nothing could be done. But I think the owner of the remaining units should be prohibited from selling the remainder without the permission of the board. I shall now proceed to a discussion of possible indirect steps that can be taken. I am of the opinion that the State should formulate a policy with regard to who is to receive State aid and who is not. Until now farmers could fairly easily obtain aid from State sources. Virtually any *bona fide* farmer has qualified for State aid. In times of drought there is no discrimination between rich and poor farmers. The farmer is not asked, for example, whether the circumstances in which he finds himself are not perhaps attributable to wrong farming systems. I feel the time has come when the State should begin to lay down standards. A farmer whose land is too small or who

does not pay any attention to soil conservation, should be told in advance that he cannot expect State aid in times of drought, for example. Although it is easy for me to advocate such steps, they would perhaps not be so easily applicable in practice. Of course millions of rand are spent on the promotion of farming in South Africa, and I think the taxpayers have no objection to this. However, it should be a sound investment. If the funds were spent injudiciously, it would be a case of money thrown out of the window. I should like to emphasize that the tragedy of assisting farmers left, right and centre is the fact that they are not benefited by it, but are in fact rather prejudiced. A farmer who gets into difficulties on an undersized, uneconomic unit, may gain temporary relief when the State grants a loan, but in time he gets so deeply in debt that neither he nor his descendants really benefit from the loan. The assistance merely prolongs his misery. I consequently feel that State aid should only be granted on certain conditions. The conditions should be made known so that farmers may know in advance whether or not they will qualify for such aid. If these steps were taken, the problem would in my opinion be solved within one generation. (*Mr. Van Wyk.*) We should make a very clear distinction between prevention and correction. Prevention is already being applied by the N.R.D.C. and the Department of Lands. Prevention would be taken a step further if legislation were introduced to prohibit the uneconomic subdivision of farms. The other angle to the problem is correction in respect of units that have already been subdivided into too small portions. As far as legislation of retrospective effect is concerned, I feel that it may perhaps be too severe to prohibit the sale of plots that have already been subdivided. I think such a step would mean too much interference with the rights of the individual. In the field of correction there are two very powerful weapons that may be used to combat the evil, and I am consequently of the opinion that it would be very easy for the corrective steps to be taken. The first measure at our disposal is the Unbeneficial Occupation of Agricultural Land Act of 1937. For some reason or other this Act has very seldom been applied. The State has the right to expropriate a farm, such as La Gratitude, and to divide it into economic units. Correction is therefore no problem if the State applies the powers it already has. The other important corrective measure is the refusal of State aid under certain circumstances. Financial aid in respect of uneconomic units should be refused, and private financial institutions, for example commercial banks, boards of executors, etc., could receive guidance from

the State and their co-operation could be enlisted in the interests of our country. Nevertheless, no pressure should be exerted on them. It should be very clearly understood that application of the Act to which I have referred and the refusal of financial aid would have little effect as far as the preventive aspect of the problem was concerned, because the powers required are lacking. But as regards correction, we already have very powerful weapons.

172. *Mr. Streicher.*] I regard the farmer as an entrepreneur, just like a trader or an industrialist. How does the norm of R1,500 compare with the minimum income required to ensure a decent living in the case of other entrepreneurs?—Let me say at once that the R1,500 compares very unfavourably with what is regarded as the norm for a trader or industrialist who is an entrepreneur and who is also the owner of a business concern. But it compares very well with the norm of an employee of such an industrialist or trader. It compares particularly favourably with the incomes of the staff in the lower wage groups, for example clerks, artisans, fitters, turners, masons, etc.

173. Do you not think a farmer as an entrepreneur should actually be compared with the other entrepreneurs and not with the latter's employees?—If an affirmative reply were given to your question, the proposed average income of a minimum economic unit would rise to R3,000 or R4,000 per annum. In every profession there are highly paid and low-paid persons. But one would also want the low-paid persons to be able to make a decent living. The minimum income should therefore not be put at too high a figure. Surely we all want a fairly large, sound rural population and not only a few highly paid, prosperous farmers.

174. Should it not be borne in mind that all farmers have to bear the same responsibilities and face the same elements regardless of the size of their capital expenditure and the size of their farming undertakings?—I concede that the elements are the same, but the question is: How large should be the income that remains to the farmer and his family after provision has been made for the vicissitudes of nature and other factors? One should therefore distinguish between the large farmer and the small farmer. But one should prevent the income required for a decent living in the case of the small man being put at so low a figure that it would be quite unrealistic. The detrimental effects involved are, of course, obvious.

175. When the amount of R1,500 was fixed, were the family requirements produced on the farm itself taken into account?

—Yes. The fact that the farmer grows his own vegetables and produces his own milk was taken into account. Transport was also allowed for.

176. *Mr. Vosloo.*] I have been wondering whether quite a few transactions could not be disposed of without their having to be submitted to the board. There might be the case of a farmer who had a camp that could not be economically subdivided, but that was purchased by three farmers and added to their own land. Would it not be a good idea if the board's jurisdiction were limited to cases of subdivisions where the minimum family income of, say, R1,500 would be in jeopardy?—(*Mr. De Swardt.*) I do not think any exceptions should be made, but I think that cases of this kind could very easily be dealt with administratively. The board's principles would be laid down and senior officials would serve on it. Cases such as those just mentioned could simply be dealt with administratively, as these would really amount to consolidation. I visualize the case of a man who has a small farm of 300 morgen and who wants to buy 100 morgen from his neighbour, who has a large farm. All kinds of routine steps would have to be taken, for example the valuation of the 100 morgen, etc. I agree wholeheartedly that such a case could easily be dealt with administratively, but—and this is an important point—it should be registered with the 300 morgen as a unit. A new unit would then come into being. In such a case the board would not need to act, but it would nevertheless have to go through the channels to be created in terms of this proposed law in order to ensure that it was in fact correctly registered. Supervision would necessarily have to be exercised at all times.

177. Supposing a rich farmer with a large farm wanted to buy 300 morgen of a small farm of 600 morgen situated at some distance from his farm. If those 600 morgen were subdivided the subdivisions would have to be regarded as uneconomic units. But his object is to cultivate the 300 morgen along with his farm. Should not provision be made for such cases?—I think the question to be asked in such cases is whether one would not open the door to circumvention. There is always the possibility that the real object of an uneconomic subdivision is the sale of the unit, although consolidation, as set out in your question, is advanced as the reason. The farmer would then achieve his object by acting in the following way: In view of the fact that he anticipates the board's refusal to such subdivision, he agrees with a relative or a neighbour that they will each buy half of the 600 morgen. The two portions are then registered with the two separate

farms. In due course this scheming is then followed by the sale of the two units, which was the farmer's object from the outset. In actual fact the consolidation was therefore merely an intermediary step. (*Mr. Van Wyk.*) In practice that problem is easily solved, and the N.R.D.C. in fact does so. For example, if a sheep farmer wants to buy an additional piece of land, his application is dealt with by an official with experience in this connection, and the necessary deed is issued within a few days. Delay is therefore prevented. Until now we have only had about 200 such cases. On the other hand, if a farmer with a fairly large farm wants to buy half of a fairly small piece of land and another farmer wants to buy the rest, the two uneconomic units are consolidated with the two respective farms. That is how the N.R.D.C. acts. Consolidation means that the two small units may never be sold individually. (*Mr. De Swardt.*) It is a fact that they cannot be sold individually without permission, but conditions may change. (*Mr. Van Wyk.*) It is in actual fact a new division of the land. (*Mr. De Swardt.*) If the land were subdivided, the case would have to come before the board again. (*Mr. Van Wyk.*) There need therefore be no delay, nor could the danger of scheming arise.

178. *Mr. Kotze.*] Do you not think a margin of 15 to 20 per cent should be allowed in the minimum income to allow for rising cost of living over a fairly long period?—(*Mr. De Swardt.*) I should like to make it very clear that the minimum amount would not be mentioned in the Act. In the Act the point of departure would be nett income. Nett income and family income are not synonymous. Before family income can be calculated, nett income has to be determined. The nett income is, of course, the difference between the farmer's expenditure and his income. Interest on capital is not taken into account. It will have to be decided whether interest should also be subtracted before the family income is determined. The Act should authorize the board to accept such standards as the criterion according to which it takes decisions. No figure should be mentioned in the Act. It would therefore be possible to make the necessary adjustments administratively from time to time, without it being necessary to go to Parliament.

179. Once the size of an economic unit has been determined, it will not be possible to change it. Would it not be advisable to leave a margin so that the size of the unit could be increased according as it is justified by the cost of living?—We are trying to fathom the future, and predictions are so often wrong. We want to try to prevent people, particularly those

who farm with their own money—perhaps with inheritances—from being wronged. There might be a case where the board decided that a piece of land could not be divided among three heirs, but only between two. The board would have to have a standard to enable it to decide what was fair and equitable with a view to the future. Although the board would have to act conservatively, it should not be so over-cautious, on the other hand, as to decide that the land was to be allotted to one heir only. After the decisions had been taken, there would still be people who find it hard to make ends meet. Nothing can be done about the existing position. But henceforth one should prevent units from being too small. Care should also be taken, however, that the minimum size is not too large. Somewhere a line will have to be drawn which will be equitable and defensible as such. Two conflicting factors should not be lost sight of. One is the rising cost of living and the other factor, which it is hoped will to some extent neutralize the former, is new and improved techniques that result in larger incomes. Our standards of living are improving, and in a progressive community such as ours, people—and particularly the younger ones—expect more of life. In order to keep the young people in the rural areas, a higher standard of living necessarily has to be created in the rural areas. However, the rising income figures may be unable to keep pace with the increasing cost of living.

180. Have improved techniques and the resultant increase in incomes kept pace with the rising cost of living in the past?—I shall use grain farming as an example. Improved techniques have not only made larger incomes possible, but have also enabled the grain farmer to get a larger piece of land under his control. The use of machinery holds tremendous advantages. Nowadays the output of a piece of land of 100 morgen is more than before. But because of the fact that more morgen can be controlled and cultivated, thanks to mechanization, farms have become bigger and bigger. In other cases the position is just the reverse. In the Lowveld, for example, improved methods of irrigation have resulted in farms becoming smaller. One does not always know to what extent higher incomes are caused by improved techniques or changes in circumstances. Mechanization is a completely new factor in our agriculture. As regards grain farming, for example, it is a fact that all grain farmers do not apply the new techniques. It takes from between 10 to 20 years before a new technique is generally applied. Even after that period there are still farmers who do not use them effectively. By that time there are new techniques again. But I think that, in

general, rising costs of living and higher incomes neutralize each other. (*Mr. Van Wyk.*) There are four factors that will result in the norm being on the safe side. Firstly, there is technological progress that contributes to higher incomes. Secondly, even now, where we determine norms for the N.R.D.C. and the Department of Lands, we have a safety margin as regards the minimum nett family income. Thirdly, our standards are on the conservative side. In other words, the yield per acre or the quantity of wool per sheep is not approached from an over-optimistic point of view. Finally, we push up the costs a little, and all this means that we err on the safe side, if we do in fact err. I have here copies of a memorandum that deals with the economic position of the 200 families that have been investigated. One is actually shocked when one realizes how many uneconomic units there are.

181. *Chairman.*] A point that worries me is whether land that is at present large enough to be regarded as an economic unit would not be uneconomic in 15 or 20 years' time. Similarly, a farm that could be cultivated economically 20 or 30 years ago, is no longer economic to-day. What I should like to know is what will become of farms that may be subdivided to-day because they are regarded as economic units but will in 20 or 30 years' time no longer be economic units?—(*Mr. De Swardt.*) I do not know whether I can agree with you, for farms that are uneconomic to-day were already uneconomic in the 'thirties. On the other hand, there are few farms that were economic at that time and that are uneconomic at present. I am now speaking of those parts of the country that I am acquainted with. As I explained earlier, it is at present possible to cultivate more land than was possible at that time, as a result of technological progress. I doubt whether there has been much of a change over the past 20 years.

182. Is it not the position that land to which you refer as maize lands were at that time not actually maize lands?—That is so. But if one looks at Odendaalsrus and Hoopstad one will find that the farms have become smaller in the course of time. At that time a farmer made a precarious living on 1,000 morgen, while at present a good living can be made on 1,000 morgen. I have to concede that the farmers there switched from stock farming to grain farming.

183. I think that where there has been no change in farming, a farmer to-day struggles to make a living on a piece of land which had a satisfactory yield 20 or 30 years ago. Will this process not merely be repeated in that farms that would

to-day be approved as economic, would be regarded as uneconomic units in 20 or 30 years' time?—Nobody can fathom the future, but nevertheless I do not believe that that would be the case. When we look at the position 30 years ago, I cannot concede the point that farms which were economic at that time are uneconomic to-day. All the cases I can think of now make me feel that my statement is correct. At the end of the 'thirties surveys were made in the Bushveld, where the great drought is at present prevailing. At that time the Land Board allocated farms of 800 morgen each to the farmers, and even in those years Dr. J. C. Neethling and other officials issued the warning that 800 morgen—and even 1,200 morgen—was too small. The Karroo is another region I want to mention. The carrying capacity of the Karroo farms has not diminished. The yield per sheep has in fact improved. I think that a sheep farm in the Karroo which was economic in the 'thirties is still economic to-day. I want to express the hope that you will be convinced of two things. The first is the necessity of legislation for combating the evil of uneconomic subdivision, and the second is that the assessment of nett income which makes it possible to determine the family income will be practicable. Should these two points be acceptable to the Committee, then we come to the Act and all its ramifications. That is dealt with in paragraph 19 of my memorandum. I feel that there should be clarity regarding the status of the board. What kind of board is envisaged? All manner of boards are, of course, established by Parliament from time to time. I envisage a board which would implement a policy laid down by a Minister. But the implementation of the policy should be left to the board. The Minister should not interfere with the administration of his policy all the time. I think that he would place himself in a difficult position if he wanted to interfere with the administration of his policy morning, noon and night. If the board were to determine its own policy, there would be the danger that nobody would know exactly what was happening and it might degenerate into a kind of Frankenstein monster. The annual report of the board would, of course, be tabled in the House of Assembly, but I nevertheless feel that the Minister should determine the policy, since the bread and butter of thousands of people would be implicated, and somebody would have to account for the decisions and actions of the board. The Minister should be in a position to know what was happening. I feel that the board should be a full-time body. The chairman and at least two of the members should serve in a full-time capacity. Paragraph 19 (3) of my memorandum deals

with this point in detail. I emphasize that the members of the board should serve in a full-time capacity. People might say that members of the board could fit in their duties with other work they have to do. That would be a misconception. Applications should not be delayed in the office of the board. The members of the board would have to make a thorough study of their task, and they would have to be conscious of what was happening in the country. As regards the decisions of the board, I feel that the right of appeal to the Minister should be created. Paragraph 19 (4) elaborates on the advisory committee. This could be a general body which would meet as often as necessary. I envisage that some of the departments concerned would be represented on it. I am thinking of the Department of Agricultural Economics and Marketing and the Department of Agricultural Technical Services. Representatives of organized agriculture and other bodies which would from the nature of the case be interested in the application of the Act, should in my opinion also serve on the advisory committee. Persons could also serve on the board because of their professional knowledge and status. I am thinking of professors, people regarded as experts in this connection, persons with expert financial knowledge, etc., with the emphasis on the practical advice they would be able to give. This advisory committee should have the right to advise the Minister directly. There are people who feel that the advisory committee should only show signs of life when the board asked the committee for advice, and that the committee should advise the board only. I do not agree with that. The intention is that the committee would not have to deal with specific cases, but that it would merely act as an advisory body. I think the committee may be compared with the Orange River Planning Board. This Board consists of representatives of various departments and bodies. This is not a statutory body, but one established by the Government. The advisory committee, on the other hand, would be a statutory body. I am not really concerned about the composition of the committee. What is of great importance to me, is what the status of the committee would be. I am wondering what the committee's relationship towards the Minister and the board would be. In my opinion the committee should be placed in a strong position. By that I do not mean that it should be able to control the board, but, on the other hand, it should not be possible for the board to ignore the committee. What I have in mind, is a situation where the Minister would be able to receive independent advice from the committee. The committee would have to guide him as regards all the criteria

mentioned here to-day. As far as appeals to the Minister are concerned, I want to mention that the committee would have to devote a great deal of attention to individual appeals. If there were an automatic right of appeal to the Minister, a tremendous number of appeals would, as it were, overburden the Minister with work. But if the right of appeal were made too difficult, the Minister would not know what was happening. I think a middle course would have to be found. Personally I feel that only the difficult cases should be submitted to the Minister. But then the problem arises of how to decide who would actually determine which cases are difficult ones. One could imagine that every appellant would regard his own case as difficult.. I think the opinion of the board would have to be obtained on whether or not a case should go to the Minister. Here I want to mention that the board should be an independent body and should not form part of a Government department. Although it would have a status of its own, it would nevertheless have to fall under a Minister. The board would perhaps fall under the Department of Lands. In that case the Secretary for Lands could also study the appeal case to decide whether it was in fact a special case. It might happen that a case was an execptional one because insufficient particulars had been collected, or because insufficient information had been taken into consideration, or because additional facts had subsequently come to light. There could be several kinds of border-line cases. I think that a case should go to the Minister if the board and the Secretary for the Department under which the board would fall, so decided. Personally I feel that all doubtful cases would have to be submitted to the Minister in any case. At any rate, the Minister would most probably soon enough make known his views as to what type of case should not be referred to him. I am thinking particularly of cases in which no policy or principles are involved. It would undoubtedly be difficult to decide what cases should go to him. All appeals should not go to him, too many cases should not be referred to him, but on the other hand too few cases should not be sent through either. The Minister should know where the shoe pinches. Indeed, it would enable the Minister to know how his policy was being applied if difficult cases came before him from time to time. I shall now express a few thoughts on the local committees. Paragraph 19 (5) of my memorandum deals with this. The board would also have to have "eyes" in the various districts, for it would not be able to travel thoughout the country and hold inspections *in loco*. The board would necessarily have to get its information from two sources. One

source would be officials of existing departments, and the other source would be the local or area committees—I prefer the latter designation. Should information be required about a case in a certain area, a report could be sent in by a Government official in that vicinity. As regards the committees, I do not think it possible to have a committee for every district. The board would have to decide how many area committees it wanted. In any case, the committee could investigate a case and inform the board in respect of criteria and standards. As far as the submission of reports is concerned, the official would not report through the local committee but through his own department. The board would, of course, be able to decide whether an official and the area committee in question should co-operate. The official's investigation and that area committee's investigation might not be in respect of the same aspects. The official might be asked to furnish certain facts, while the committee could, if need be, be asked for an opinion. The next important point I wish to discuss is the position of the State itself. Paragraph 21 deals with this. In terms of the proposed Act, its provisions would not apply to the State. I feel that that is not right. I feel that the determination of an economic unit should also apply to the Department of Lands. I do not want to say anything further about this point.

184. *Mr. Botha.*] Notwithstanding objections that have been raised, I feel that an appeal court should in fact be established. What is your view in this regard?—I think an appeal court should be avoided. It would cost the appellant a great deal of money. I think the right of appeal to the Minister would be sufficient. I am not in favour of a dissatisfied person being deprived of his right of appeal, but if an automatic right of appeal were created, it would not be long before the Minister would be swamped with appeals. A dissatisfied person would, of course, still be able to go to court after the Minister's ruling, but only when it was alleged that the correct procedure had not been followed. The court would have to decide whether the correct procedure had in fact been followed and whether the Minister had studied and considered the particular case thoroughly.

185. *Mr. Wentzel.*] Seeing that there is apparently difference of opinion among the heads of departments concerning the appeal forum, is it not desirable that a special appeal court should in fact be established?—No, I prefer an appeal to the Minister. There are various reasons for my saying so. To a large extent we are here dealing with a matter of policy, and somebody would have to be the final arbitrator. It

would be the Minister. He should lay down the policy and the House of Assembly would hold him responsible for the policy and the implementation thereof. It should be possible to defend the policy on the floor of the House of Assembly. The Minister would have to know what was happening. He would always have to bear in mind that he should be able to defend his policy and that he would be criticized if things went wrong. It would have been different if the interpretation of the law only and not policy had been at stake. The rights of the individual, as far as his bread and butter is concerned, would be affected by this law. For that reason I think that the Minister should be the person to give the final ruling. He would then know whether his policy was fair, whether it was a policy he would be able to defend. His policy would have to be approved or rejected in Parliament. Our problem now is to determine when a man should be allowed to appeal and when not. This is indeed a difficult problem and I am unable to offer an easy solution. My personal opinion is that the board should decide whether there are grounds for appeal. This principle is also applied in our ordinary courts. I do not think that the board would refuse permission to appeal in a *bona fide* case. The appellant would, of course, have to pay a deposit, which he would forfeit if his appeal should be dismissed. (*Mr. Van Wyk.*) I feel that the creation of a special court would lead to many problems. It is envisaged that an extension officer, accompanied by the district committee, would investigate a case and report to the board. The economists on the board would analyse the information and decide whether the unit was in fact economic. Supposing the board's ruling was unfavourable, then an appellant could succeed in disregarding the board's ruling by making use of the services of a smart lawyer. One would then skate on such thin ice that I wonder whether it would not be better if the regional committee had to send the relevant information to the board and the latter had to determine the economic unit. If the applicant were dissatisfied with the rulings of the board, he should have the right to refer the case back to the board for reconsideration upon payment of a certain amount. The board would then send the case back to the regional committee and they would again visit the farm in order to see whether they could not possibly push up the carrying capacity and the potential of the farm in question. Then they would report to the board once again, and if the board's ruling remained unchanged, the applicant could, should he still be dissatisfied, appeal to the Minister. In other words, the deposit might serve as a deterrent. How-

ever, the Minister's decision should be final. A special court could cost the appellant a great deal of money.

186. *Mr. Botha.*] Should an arbitration body not be created?—(*Mr. De Swardt.*) The advisory Committee could perhaps be instructed to decide whether or not a case should go to the Minister. The committee would not deal with the appeal as such, but would only deliberate whether a particular case was a border-line case and should as such be referred to the Minister. I am convinced that the Minister should have the final say.

187. *Mrs. Van Niekerk.*] In view of pressure that might be exerted by people with political influence, do you think the Minister would be agreeable to that?—The Minister would have to decide about that. In the initial stages there might be a considerable number of appeals, but in my opinion they would gradually decrease in number. I am afraid that a state of affairs might be created where the Minister would not want to have anything to do with the whole matter. (*Mr. Van Wyk.*) I should like to recommend that the N.R.D.C.'s legislation be studied. In the past 9 months we have dealt with 100 cases of economic subdivision for that Council. Two cases were referred back to us, and in one of the cases we re-examined the position but our attitude remained unchanged. In the other case, however, further evidence was submitted that slate had been discovered in that place, constituting an additional source of income, and we altered our decision. I do not think there is a right of appeal as far as the N.R.D.C. is concerned. (*Mr. De Swardt.*) I think that where the board decided that a unit was uneconomic, it would be generally accepted; in other words, the board's decisions would only be queried in exceptional cases. In my opinion it would only be possible to appeal under two circumstances, namely, in the first place, where it was alleged that the facts were incorrect or where new facts had come to light and, in the second place, where the policy was wrong. In such a case I feel that the board would be the first to decide that its decision should be changed. After that the case should go to the advisory committee, which would decide whether the case should be submitted to the Minister. I think such a sifting process ought to ensure general satisfaction. This procedure might be criticized as contributing to delays, but in land transactions these are sometimes major delays in any case. I do not think there would be so many cases that delays would take place at ministerial level. Nowadays it takes anything from six to twelve months to complete the registration of a piece of land. It would be easy to dispose

of the easy cases. As regards the difficult cases, I think that once the machinery is in operation a difficult case *vis-à-vis* an ordinary case should only take a month longer to reach finality.

188. *Mr. Taurog.*] Would the Minister table a report in the House of Assembly annually?—Yes, we recommend that.

189. *Chairman.* Have you anything to add before the Committee adjourns?—Yes. In my opinion there would be two further problems with which this board would have to deal. I am now thinking of the specialist farmer and the part-time farmer. The first-mentioned type of farmer is dealt with in paragraph 23 of my memorandum. The specialists, such as mushroom growers, chicken farmers, apiarists, etc., only need very small pieces of land. They would criticize the norms which would be determined, since they would be far too large for their purposes. However, the board should not allow itself to be put off by that. The specialist would most certainly find a solution. Apparently it is fashionable in South Africa to have land registered in one's name instead of hiring it, but the specialist farmer would simply have to hire land or else he would have to buy a piece of land and he could put the excess land to lease. In other countries the hiring and leasing of land is not at all uncommon. There are many part-time farmers in South Africa and a solution would have to be found for them. Perhaps the use of hired land would be the answer. In my opinion part-time farming areas near cities should be recognized as such. To fix the minimum size of small-holdings at 25 morgen is, to my mind, a waste of land. Some people are able to manage well on two or three morgen of land. Since the minimum size of small-holdings, as laid down by ordinance, is too large, many of them are much too large for the farmers' purposes. Small-holders are usually people who work in cities—railway workers, factory workers, etc.—and I feel that where fair numbers of them are found in the same vicinity, the area ought to be recognized as such. The board ought to be authorized by law to recognize such areas officially. Recognition should nevertheless not be accorded left, right and centre. What I mean is that exceptions should be made in respect of certain areas. In other words, the board should have the power of zoning, as set out in paragraph 24 of my memorandum. I want to emphasize once again that the problem of restoration remains the major one, and that has already been dealt with.

APPENDIX

Bill submitted by Department of Lands as basis for discussion.

BILL

To provide for the establishment of a board to exercise control over the subdivision and alienation of agricultural land, and for matters incidental thereto.

BE IT ENACTED by the State President, the Senate and the House of Assembly of the Republic of South Africa, as follows:—

Definitions.

1. In this Act, unless the context otherwise indicates—

(i) "agricultural land" means any land not situated within the area of a town, established, approved, proclaimed, controlled or recognized as such under any law, but does not include land—

(*a*) of which the State is the owner; or

(*b*) which forms part of any area defined in the Schedule to the Natives Land Act, 1913 (Act No. 27 of 1913), or of any area defined in the First Schedule to the Native Trust and Land Act, 1936 (Act No. 18 of 1936); (i)

(ii) "board" means the Board for the Control of the Subdivision of Agricultural Land established by section *two*; (iii)

(iii) "Minister" means the Minister of Lands; (ii)

(iv) "regulation" means a regulation made in terms of section *sixteen*. (iv)

Establishment of Board for the Control of the Subdivision of Agricultural Land.

2. There is hereby established a board to be known as the Board for the Control of the Subdivision of Agricultural Land.

Object of board.

3. The object of the board shall be the prevention of the subdivision of agricultural land into portions which, in the opinion of the board, render farming thereon on an economic basis impossible.

Constitution of board.

4. (1) The Minister shall appoint five persons as members of the board and designate one of them as chairman.

(2) The administrative work connected with the functions of the board shall be performed by officers of the Department of Lands.

Period of office of members of board.

5. (1) A member of the board shall hold office for such period, not exceeding five years, as the Minister may determine when appointing him.

(2) A member of the board whose period of office has expired, may be reappointed.

(3) A member of the board shall vacate his office if—

(*a*) he becomes insolvent;

(*b*) he becomes mentally disordered;

(*c*) he is convicted of any offence and is sentenced to imprisonment without the option of a fine, or is convicted of a contravention of sub-section (2) of section *eight*;

(*d*) he resigns; or

(*e*) he becomes a member of the Senate or the House of Assembly or of a provincial council.

(4) A member of the board may at any time be removed from office by the Minister.

Remuneration and allowances of members and alternate members of board.

6. A member or an alternate member of the board who is not in the full-time employment of the State, shall receive in respect of his services such remuneration, allowances and leave and other privileges as the Minister may after consultation with the Minister of Finance determine: Provided that a member who is in the full-time employment of the State may, in addition to his salary in respect of such employment, be paid such allowances as the Minister may after consultation with the Minister of Finance determine.

Quorum and procedure at meetings, and appointment of alternate members of board.

7. (1) Three members of the board shall constitute a quorum.

(2) The decision of a majority of the members of the board who are present at any meeting thereof, shall be deemed to be the decision of the board: Provided that in the event of an equality of votes on any matter at any such meeting, the chairman shall have a casting vote in addition to his deliberative vote.

(3) The holding of meetings of the board, the procedure at such meetings, the appointment of alternatives to the chairman and the members who are in the full-time employment of the State, and any other matter connected with the board for which no specific provision is contained in this Act, shall be governed by regulations.

Duties of members of board.

8. (1) A member of the board who is not in the full-time employment of the State shall, as far as is practicable, devote the whole of his time to his duties as such a member, unless otherwise stipulated in the conditions subject to which he was appointed.

(2) A member or an alternate member of the board shall not be present at or take part in the discussion of or the voting on, or attempt to influence the views or vote of any other such member in respect of any matter before the board, if he or, to his knowledge, any other person related to him in the third degree of consanguinity or affinity, has any interest, whether financial or otherwise, and whether as partner, creditor, debtor or otherwise, in such matter.

Functions and powers of board.

9. (1) The board shall consider any application made in terms of section *thirteen* and may in its discretion refuse or grant any such application or, if it is an application for the subdivision or alienation of any land, so grant such application on condition that the land in question or any portion of the land in question—

(*a*) be consolidated with any other agricultural land in terms of section *forty* of the Deeds Registries Act, 1937 (Act No. 47 of 1937); or

(*b*) be tied to any other agricultural land not adjoining it, by means of a condition prohibiting, without the permission of the board, the separate alienation of such land or portion and the said other land.

(2) Any person whose application has in terms of this section been refused or been granted subject to a condition which, in his opinion, is unjust, may in the prescribed manner appeal to the Minister, who may dismiss such appeal or direct the board to grant the application unconditionally or subject to a condition which the board could have imposed and which the Minister may determine.

(3) The board shall as soon as possible after the thirtieth day of June in every year transmit to the Minister a report on its activities during the immediately preceding year.

(4) A report referred to in sub-section (3) shall be laid upon the Table of the Senate and of the House of Assembly by the Minister within thirty days after receipt thereof by him, if Parliament is in ordinary session or, if Parliament is not in ordinary session, within fourteen days after the commencement of its next ensuing ordinary session.

Advisory committee and local committees.

10. (1) The Minister shall appoint an advisory committee consisting of not more than twelve members, who shall be representatives of such departments and bodies as, in his opinion, have an interest in the matter and which, after approval by the Minister, may make recommendations to the board in connection with the establishment of standards for determining generally what the extent of land should be to render possible farming thereon on an economic basis.

(2) The Minister may after consultation with the Minister of Finance establish local committees to furnish information and advice to the board.

(3) A member of the advisory committee or of a loc committee who is not in the full-time employment of the Sta shall receive in respect of his services such remuneration an allowances as the Minister may after consultation with th Minister of Finance determine.

Prohibition on subdivision of or alienation or vesting of undivided share in agricultural land.

11. (1) Subject to the provisions of sub-section (4) agricultura land shall not be subdivided and no undivided share in sucl land shall be alienated or vest in any person, unless the board has under section *nine* consented to the subdivision, alienatior or vesting in question.

(2) A testamentary disposition or intestate succession by which any undivided share in agricultural land would have vested in any person if sub-section (1) had not been enacted, shall, unless the board consents in terms of section *nine* to the vesting of such share, be deemed to be a testamentary disposition of or intestate succession in respect of the nett proceeds of sucl share.

(3) The provisions of sections *five* and *six* of the Unbeneficia Occupation of Farms Act, 1937 (Act No. 29 of 1937), sha' *mutatis mutandis* apply in respect of the nett proceeds of an, share in agricultural land referred to in sub-section (2), and in so applying the said sections the reference therein to a Ministe shall be deemed to be a reference to the person charged wit realizing the share in the agricultural land in question.

(4) The provisions of sub-section (1) shall not apply in respec of any subdivision of land for the purpose of transferring any portion thereof to the State.

Duties of surveyor-general and registrar of deeds in respect of unlawful sub-division or alienation of land.

12. No surveyor-general shall approve any general plan or diagram relating to a subdivision of agricultural land, and no registrar of deeds shall register the transfer or vesting of ar agricultural land or any portion of or any undivided share i agricultural land, if such subdivision, transfer or vesting would be in contravention of any provision of this Act or any condition imposed by the board in terms of paragraph (*b*) of sub-sectior (1) of section *nine*.

Application for consent of board.

13. Any application for the consent of the board in terms o paragraph (*b*) of sub-section (1) of section *nine* or sub-sectior (1) of section *eleven* shall be lodged with the secretary of th board and shall be in such form and be accompanied by such plans, documents, information and fees as may be prescribe by regulation.

Notice to surveyor-general and registrar of deeds of granting of application.

14. If the board has granted any application contemplate in section *thirteen*, it shall notify the surveyor-general an registrar of deeds in question thereof, stating the condition (if any) on which the application was granted.

fences and
nalties.

15. (1) A member or an alternate member of the board who contravenes the provisions of sub-section (2) of section *eight* shall be guilty of an offence and liable on conviction to a fine not exceeding two hundred rand or, in default of payment, to imprisonment for a period not exceeding six months.

(2) Any person who in an application contemplated in section *thirteen* makes any statement which is false in any material particular, knowing it to be false, shall be guilty of an offence and liable on conviction to a fine not exceeding two hundred rand or to imprisonment for a period not exceeding six months or to both such fine and imprisonment.

egulations.

16. The Minister may make regulations as to—

(*a*) the holding of meetings of the board, the procedure at such meetings, and the appointment of alternatives to the chairman and the members who are officers in the full-time employment of the State;

(*b*) the constitution, powers and duties, procedure at meetings, and the manner of performance of the duties of local committees established under section *ten*;

(*c*) the form of applications in terms of section *thirteen*, and the plans, documents and information to be lodged with such applications;

(*d*) the fees to be paid in respect of an application in terms of section *thirteen*;

(*e*) the form of an appeal in terms of sub-section (2) of section *nine*, and the fees to be paid in respect of any such appeal;

(*f*) any other matter in respect of which the Minister deems it advisable to make regulations for giving effect to the provisions of this Act.

gricultural land
areas which are
ntrolled areas
der Act 51 of
47.

17. Notwithstanding anything to the contrary contained in the Natural Resources Development Act, 1947, no permit under section *fifteen* of that Act shall be required for the subdivision of agricultural land situated in an area which is a controlled area within the meaning of that Act.

ntracts entered
o prior to
mmencement
this Act.

18. The provisions of this Act shall not apply to any subdivision of or any transfer of an undivided share in agricultural land if the surveyor-general or registrar of deeds in question is satisfied that the subdivision or transfer, as the case may be, takes place to give effect to a contract entered into prior to the commencement of this Act.

ort title.

19. This Act shall be called the Subdivision of Agricultural Land Act, 1964, and shall come into operation on a date to be fixed by the State President by proclamation in the *Gazette*.