

with the soldiers of the last war, under the recommendations of the committee on soldier reestablishment.

A member of the legion appeared before us and made certain recommendations regarding the rehabilitation of veterans of the last war. The Minister of Mines and Resources stated that in his opinion the recommendation was a moderate one. I believe the majority of the committee felt that the recommendations of the legion were moderate, and we spent a number of days in discussing ways and means of bringing about better conditions for those settlers. Unfortunately, when the recommendations regarding veterans of the last war were drawn up they did not go anything like as far as the recommendations made to the committee by the legion. The legion recommended that the interest charge on the indebtedness of the settler of the last war should be reduced to $3\frac{1}{2}$ per cent to bring him in line with the bill dealing with the settlers of this war. Instead of reducing the interest rate to $3\frac{1}{2}$ per cent on all debts of the settler of the last war, we are merely reducing the rate to $3\frac{1}{2}$ per cent on the debts of those settlers who have reenlisted in this war. One cannot help wondering why the rest of the settlers are not entitled to that same benefit. Certainly, if we are going to make a reduction of interest rates available to the settlers of this war, we should make that rate available to all the soldier settlers of the last war.

One recommendation of the special committee is in connection with what a soldier's equity in his land should be. In the new bill we recognize that every soldier settler, in order to have any real chance of success, must be given an equity in his land of around $33\frac{1}{4}$ per cent. As a matter of fact, when you take into consideration his equipment, he will have a total equity of approximately 50 per cent. I remember when Mr. Walter Woods, associate deputy minister of the Department of Pensions and National Health, gave evidence before the special committee. He stressed the fact that to-day loan companies believe that a man should have an equity of around 50 per cent if he is to be able to pay off his loan. That principle was embodied in the new bill to a large extent.

The settlers under this new bill will be younger men. Their stock and equipment will be in first-class condition. Yet we say that these men must have an equity of around 50 per cent. What chance will a settler of the last war have of paying for his land when in many cases he has no equity in the land? The average age of these men is around fifty-three years, and, generally speaking, their equipment is in poor shape. According to

a statement submitted to the special committee by the director of the soldier settlement board, 50 per cent of the old settlers of the last war are making practically no progress at all. Twenty-seven hundred have no equity in their land, and 1,078 have an equity of less than 16 per cent.

If we take the stand, which we have taken, that in order to pay off his indebtedness it is necessary for a man to have an equity of around 50 per cent, surely we should take the necessary steps to give the settlers of the last war an equity in their land which will make it possible for them to meet their obligations. The recommendations regarding the settlers of the last war unfortunately do not meet that need. The recommendation may mean a great deal, but on the other hand it may mean nothing at all. It merely states that the debts of the soldier settler of the last war should be reduced to a point where he will have some equity in his land. Just what does that mean? If his debt is reduced to a point where he has an equity of \$1, he has an equity and apparently that is all the recommendation calls for.

I should like the minister to tell us what in his opinion should be the basis of the equity that will be granted the soldier settler of the last war. He has stated that the recommendations of the legion are moderate. They were to the effect that the benefits of the new bill should apply as far as possible to the veterans of the last war. As I say, this bill gives the settlers of this war an equity of around $33\frac{1}{4}$ per cent in his land, or around 50 per cent when one takes equipment into consideration. When the committee is appointed to deal with this question, what direction will be given to it? Will it be directed to reduce the debt to a point where there is an equity of 30 per cent or 40 per cent? I wish the minister would explain that point because we have nothing on the record dealing with that point. I ask this because the minister was not present in the special committee when this matter was taken up.

Mr. CRERAR: The hon. member for Acadia (Mr. Quelch) has referred to the report of the special committee. This report will be before the government and will receive careful consideration. It recommends a reduction in the interest rate to those old soldier settlers who have enlisted in the present war. My hon. friend thinks that that should be extended to all old soldier settlers so that they will be on an equality with the beneficiaries under the new legislation. I can assure my hon. friend that that will receive careful consideration. However,