

that the reduction itself of 23 per cent did not meet the arrears. I have cases that I dealt with personally where the reduction granted fell far short of meeting the arrears. I am not going to stress that point as far as I might, but I will give an illustration which will show the committee exactly what I mean and what the situation is. As a matter of fact, I am taking one out of a good many that have gone through my own hands.

This man, an overseas man of British birth, a man who had given good service, returned and bought a quarter-section under the board. His indebtedness at the time of purchase of land, stock and all the equipment he required, was something like \$7,300. He fell behind rather badly prior to 1922, but with the reconsolidation of 1922 he made a fresh start. In 1928, when the appraisal was made, he was awarded, I think, \$1,600 or within a few dollars of that. It was what he considered and what I consider, too, as a very fair award, and he had no complaint in that regard. But his arrears had accumulated during the six years to \$2,300, in spite of the fact that for four out of those six years no interest charge had been made. The committee is well aware of the fact that by the amendment of 1922, the consolidated indebtedness was exempt from interest for two, three or four years according to the year in which the man had originally purchased the land. Therefore in his case for four out of those six years, from 1922 to 1928, he had paid no interest on his capital, that is, his annual payment was about 50 per cent of the annual payment with interest included. But during that time he went behind \$2,300. He received his revaluation which left him with something like \$800 of arrears which were not met by the reduction. After revaluation had taken place, the remaining indebtedness was reconsolidated and again amortized into annual payments, with the result in this man's case and in many others with which I am familiar, the annual payment, after revaluation, was larger than the annual payment before, due to the fact that the arrears in 1928 amounted to more than the award granted. I think the committee will appreciate very clearly that if a man went behind \$2,300 in six years, paying, I think, about \$650 a year during two of those years and about \$350 during the first four of the six years, the man is going to have very little chance even after revaluation when the annual payment is greater than before, and his actual capital indebtedness, in spite of the fact that he has made fair, I do not say high, payments during the past years, is greater than when he borrowed the money ten years ago.

[Mr. Speakman.]

I am bringing this forward, not by way of criticism of the minister. The minister knows the situation; he understands it and he is just as sympathetic toward it as I am. But to my mind we are approaching the time when we must decide very definitely whether we are going to forget to a large extent about the capital indebtedness or whether we are going to have the men leave the land, others come on and leave it in their turn, as I propose to show, and finally to allow the land itself to be sold for far less than its value. This man's case typified a problem that has been worrying me a great deal, not just for the sake of the country, not just from the point of view of the taxpayer, but because of the human element that is involved.

This is a man of the very best type. A few days before I came east, he came to see me in order to put his case before me, not to ask anything of the government. He said that they had done fairly by him, but he wanted to ask my advice as to what he should do. He is in the prime of life and has worked for ten years on a quarter-section. City life has no allure for him; his sole ambition is to stay on the land and to make a success of it. He has four young children born during the time he has been on the farm.

That man, of course, cannot stay. If he went in arrears \$2,300 in those six years, during part of which time the payments were only half of what he was paying at another time, it is absolutely impossible for him to meet his payments in the future when in spite of revaluation the annual payment is greater than before. That is the very type of man that we are trying to get into this country, that we are encouraging and assisting to come here, a man of good habits, a patriot, a man raising a family, a man whose whole desire was to work on the land and stay there. Yet here is this man with all the necessary qualifications in an absolutely hopeless position. I have been asked why he failed if he was an average farmer. It was for this reason, and the minister and every hon. member who is a farmer knows. On the average quarter-section in the three prairie provinces to-day it is absolutely impossible for a man to raise a family of four children and support his wife and himself, pay the running costs of the farm, and pay a capital charge of approximately \$700 a year. I have tried it. I went out with my parents homesteading forty years ago, and for thirty years I have known no other life than the farm, and I know that in my part of the country and in the greater part of the three prairie provinces it is impossible for a man to raise a family decently, pay the running costs of the