

I do not know how many years I have fought with this problem and there are some features about this move that I really do not have a good argument against. However, in the circumstances I think it is the only course of action that could be proposed and, fallible as it may be, this is the story. Thank you, Mr. Chairman, for letting me go on record on this point because I must admit I have had a lot of brickbats thrown at me over this particular part of the legislation.

The Chairman: I am sure it is going to be useful.

Mr. Chatterton: I would like to ask the Director a question with regard to the \$500 million, I think it was, that he mentioned. That would not just represent the grant, that would also represent the loan, is that right?

Mr. Pawley: No, it is on the grant \$200,000.

Mr. Chatterton: The grant would be \$280 million.

Mr. Pawley: At \$1,400 it is \$280 million. Legal costs are estimated at about \$150 a case only for eastern Canada. So for roughly half the number, another \$15 million. Administrative costs have been estimated to increase \$1 million a year because we would have to have much larger staff to handle the business and for ten years this would be another \$10 million. I have estimated the interest subsidy at about \$1,000. This is the 3½ per cent rate on part of the money and there is 5 per cent rate on the other part. If the government borrows money at 5 per cent—it may not be quite this much—but rounded at \$1,000 per case for 200,000 veterans this would be another \$200 million, or a total of \$505 million.

Mr. Chatterton: Mr. Chairman, it sounds like a very vast sum of money and I am glad to see that the Director has made a valiant attempt to justify his decision. However, I would bring to his attention and to the attention of the Committee that even if this sum were the total amount involved, that would be the total sum over the remaining six or seven years, over that long period, so that the annual amount would be perhaps of the order of \$70 million. I think the benefits that would accrue to the veterans would far exceed the disadvantages which the Director has outlined and it is my opinion that it will be done before very long in any event—depending on when the next election is, of course.

The Chairman: After that statement we will now hear from Mr. Herridge.

Mr. Herridge: Mr. Chairman, I would like to ask Mr. Pawley one or two further questions. I note with interest Item 45:

Grants to veterans settled on Provincial Lands in accordance with agreements with Provincial Governments. . .

When the Columbia River Treaty projects are completed there will be thousands of acres of land above the flood level from Castlegar to Revelstoke. I have been informed that there are approximately 300 veterans who would like to retire to some of these locations. Our people are inclined to get out in the wilderness rather than congregate in the cities. What are the benefits to the veteran under this provincial land settlement scheme?

Mr. Pawley: There is a straight grant of \$2,320 to a veteran who homesteads on provincial or federal land. Provided he stays there for ten years this becomes a grant, at which time in most provinces—and I think this includes British Columbia—he gets title to the land. Mr. Strojich tells me that the title is actually transferred to the Director, who holds the lease for ten years, at which time the veteran then earns the grant. Coupled with that, of course, are such matters as clearing, breaking and all the other features that go with provincial land development.

Mr. Herridge: Does the veteran get the \$2,300 grant on—

Mr. Pawley: That is right.

Mr. Herridge:—taking over the property? I know of a number of veterans who would like anything from one to five acres. Have I the Director's assurance that he would do everything possible to assist any veterans who apply for land above the flood level of the Columbia River who in many cases wish to retire to such circumstances?

Mr. Pawley: Mr. Herridge, there are two or three things in connection with this, and I would like to ask permission not to commit myself completely. In the first place the use of land for this purpose is up to the province. If the provinces say they do not want it used for this purpose then, of course, we can do nothing about it.

In the second place, the intent of the provincial land legislation was to permit the opening up of new areas of homesteading, and whether or not this would apply to the beautiful