

has probably been the most perplexing problem with which we have had to deal. It does seem unfortunate that if a man is short one day he cannot qualify for these benefits. However, even if we establish a new level we will still have people who are short one day. This has been our problem over the years. Any change in this respect has been resisted over the years and I contemplate that it will continue to be resisted.

Mr. Chatterton: Mr. Chairman, may I ask if the Order in Council dealing with the directive relating to the 20 per cent discretionary power in acreage has been passed

Mr. Pawley: No, it has not been passed. I think it is somewhere between the Minister's office and the Privy Council.

Mr. Chatterton: Assuming this Order in Council is passed, under what general circumstances would you be prepared to exercise this 20 per cent discretionary power?

Mr. Pawley: I think in circumstances where no more land could be acquired than the minimum of 17,424 square feet.

Mr. Chatterton: Would the cost of the land be a factor?

Mr. Pawley: No, I do not think so. This is too difficult to administer.

Mr. Chatterton: Would this 20 per cent discretionary power also apply to those already established?

Mr. Pawley: Do you mean may they be reduced.

Mr. Chatterton: Yes.

Mr. Pawley: Yes, by all means.

Mr. Chatterton: But if you use a 20 per cent discretionary power to enable a veteran to reduce his acreage, why would you not apply it when the cost of the land is so high that the full half acre would cost too much?

Mr. Pawley: Because the administration of this particular feature of the act is now so difficult I am frankly most reluctant to bring in any more features which are going to compound that difficulty.

Mr. Chatterton: I would have thought the Director would have learned his lesson when the 20 per cent applied previously.

Mr. Pawley: From my point of view I think it worked out quite satisfactorily. I feel com-

pelled to mention, although I do not want to open up this subject again, that I have been called so many names over this matter of minimum acreage that it is almost getting through to me. Perhaps I am some of the things they call me.

I would like to bring up a point that has not been mentioned previously and in my remarks I want to make it clear that I intend to avoid any discussion of policy. There were about a million veterans from World War II and I would guess that easily 300,000 of these veterans have mortgages of such a nature that if the minimum acreage was reduced to a city sized lot they could immediately come to the Veterans' Land Act office and say that they want these benefits. Let us say, rather than 300,000, there are only 200,000. From the point of view of a \$1,400 grant, the grant actually represents \$280 million, the legal costs incurred to acquire property would be another \$15 million, administration over an extended period would be \$10 million and interest subsidization would be another \$200 million, for a total cost to the government of nearly \$500 million.

I do not know, 20 years after the war, if this is really justified. This is a question which you will have to answer because I cannot give the answer. I have taken the attitude, primarily because we have an Act to administer, that there seems to be no logical or reasonable solution to this problem. Consequently, should there be an amendment to the Act to make it into a straight housing provision at this stage? Here again I do not really have the answer but to me it seems questionable. Therefore our only alternative is to try to do the best we can in the circumstances. If there is a 20 per cent reduction in certain circumstances when a half acre cannot be applied, does this merely establish a new level? Our Act is now being phased out. I was charged with this responsibility some three years ago and this is one of the means in trying to phase the Act out in an orderly manner.

The other feature in connection with the proposed amendments which were mentioned the other day is if a veterans' health is impaired for any good reason whatsoever, and this equates roughly with what it would be if he had a 50 per cent disability, then no minimum acreage would apply in these cases. We say to the unimpaired veteran, "If you cannot find half an acre we will accept a piece of property down to 17,424 square feet". We say to the veteran who is sick—and this is, supported—"There is no minimum acreage for you".