

APPENDIX No. 2

difficulty in this respect. We are contemplating placing a large number of soldiers on the land, at a cost which may mean that the Governments will have to provide, by loans and other forms of expenditure, about \$2,000 per family. If we were to apply the same capital to develop a combined industrial and agricultural colony, on scientific lines, for 30,000 people, we would have—at \$500 per head—a capital of \$15,000,000 for the purpose. The Letchworth scheme was started on a capital of about \$750,000, *or less than the cost of the bare site which had to be purchased to build the town. If there had been four or five times the capital available, it is certain that the city would have been completely occupied by 35,000 people in a very few years. Owing to the want of capital, the development has had to be slow and the city is now about half completed, although it is growing more rapidly than towns of a similar size in England.

In a new development of this kind, it is important that the first experiments should be carried out near to existing centres, for many reasons, the most important of which is, that it is the only way in which the element of risk in obtaining industries and population and securing rapid financial success can be reduced to the minimum. Land can be acquired within a comparatively few miles of the largest cities in Canada at from \$150 to \$300 per acre. By improving the means of transportation, providing water supply, power and other public services, this land could be converted into building land of a high value which, without any other aid, should alone provide interest and sinking fund on the capital invested. Essential consideration in connection with any such scheme would be:

(1) That a proper plan and scheme of development be prepared and that part of the area acquired, say two thirds, be set aside permanently as an agricultural estate around the town.

(2) That the land shall be acquired at a reasonable price, having regard to its site and character; and that the site be selected in such a position as to enable attractions to be offered to manufacturers and residents.

(3) That the scheme should be based on a sound financial footing and that any special advantages offered to returned soldiers should be kept distinct from the business part of the enterprise.

(4) That the dividend payable on capital provided from public and private sources should be restricted to 6 per cent and that all profits in excess of the amount required to pay such dividend be used for the benefit of the town and its inhabitants.

(5) That provision be made to prevent land speculation without unreasonable restrictions of the power to negotiate the sale of land.

Until development schemes are made, it is not likely that the settlement of isolated groups of returned soldiers in rural districts will succeed, no matter how liberal the terms may be that are offered by the Governments. The areas available for free homesteads are, for the most part, in remote regions, where success is difficult because of want of proper means of communication. The returned soldier will need social intercourse and good facilities for educating his children, and these must be provided wherever settlement is permitted; they cannot be provided in small artificial colonies, or without closer settlement over wide areas, better roads, and the expenditure of capital in planning and developing large areas of the land.

The above gives a very general outline of what has been done and of the opinions held in Canada with regard to proposals for dealing with problems of soldier settlement and for developing model communities.

*The share capital at 30th September, 1904, was \$503,460, and mortgages and loans \$419,670. There has now been allotted (1920) approximately \$1,000,000 in ordinary shares and there are preferred shares, debentures, loans and mortgages amounting to over \$1,500,000.