

In assessing the factual material in this statement and supporting schedules and exhibits, it is important to note:—

1. Farm values (security values) were established in the fiscal year 1941-42. These values were conceded by the 1942 Parliamentary Committee to be reasonable values reflecting the then adverse agricultural conditions. The values have not been revised upward to reflect the appreciable general rise in farm values that has taken place since the Spring of 1942.

2. There are differences between the total number of active settlers (active loans) on the grading schedule dated December 31, 1941, and in Annual Report March 31, 1942; and the number of active settlers on the grading schedule dated November 1st, 1945, and active settlers as at December 31st, 1945. The differences are due to variations in the dates of compiling the schedules and preparing the balance sheets from ledger accounts.

3. Dominion "averages" may sometimes be misleading in that they do not reflect the true position in a given Province.

4. Where settlers are designated according to grades in this Statement: Grade 1 means the settler has personal equity of 40 per cent or more in the farm; Grade 2, 20 per cent to 40 per cent equity; Grade 3, less than 20 per cent equity; Grade 4, no equity whatever.

#### PART 1

#### GENERAL POSITION OF SOLDIER SETTLERS AS AT MARCH 31st, 1942

There were 7,255 active soldier settlers with total debt of.....	\$10,574,619
an average debt of.....	1,457
average value of farm.....	2,390

Nearly 40 per cent of the total settlers were reported in very unsatisfactory position. Crop failure conditions in important areas of Western Canada had continued beyond expectations; 1941 was a bad crop year in certain areas of Saskatchewan and Alberta. Two-thirds of the total settlement is located in Saskatchewan and Alberta.

This was the position according to Annual Report March 31, 1942, and as reported to the Special Parliamentary Committee (basis December 31, 1941, grading schedule):—

2,953 settlers (Grade 1)—average personal equity ....	67.5%
606 settlers (Grade 2)— " " " ....	32 %
1,078 settlers (Grade 3)— " " " ....	17 %
2,723 settlers (Grade 4)— " " " ....	No equity

The Parliamentary Committee focused attention on the 3,800 settlers in Grades 3 and 4; some members expressed the opinion this entire group had little prospect of ever owning their farms.

#### *General position of Soldier Settlers as at December 31, 1945*

There were 4,446 active settlers with a total debt of \$5,208,948. An average debt of \$1,172. Average value of farm, \$2,300, (1941-42 farm values).

The fact that 2,484 soldier settlers repaid their loans in full in cash and received title to their farms in the three year and nine months period from March 31, 1942, to December 31, 1945, accounts primarily for the decrease in active settlers (active loans).