

been entirely lost is \$4,000,000. The Bill that is now reported results in a net decrease in the equity that the country now has of \$11,000,000 or more; probably between \$11,000,000 and \$15,000,000. These losses mean a reduction to date of \$52,000,000.

There must be added to that the total cost of the administration of the Department to date, which is \$19,000,000. Therefore, in the administration of this Department, the total loss on the investment Canada has made is \$71,000,000.

When you take into consideration the fact that we have an equity of only \$78,000,000, and that in the past ten years it has cost \$71,000,000 to take care of that investment, you will see that there is not very much left. There is, however, still owing to the Department at this date, by soldier settlers, \$38,867,000. This amount would be reduced by the passage of this Bill to the extent of \$11,666,000; so, if the Bill passes, Canada will have an equity of \$27,000,000 in the original investment, made ten years ago, of \$108,000,000. But in the meantime Canada has lost enormously in interest and in costs of administration. The enactment of this measure does not mean that those who are behind in their payments, particularly those in classes 3 and 4, will pay the amounts overdue. Undoubtedly a large number of farms now held by the soldiers will revert to the Board. The present annual cost of administration of this Department is something over \$700,000 a year, and there are still sixteen years in which this expenditure will be made, resulting in an additional administration cost of \$11,000,000.

While this Bill has been favourably reported upon by the committee, I want to say that I am absolutely opposed to it, on the ground that it is not in the interest of justice nor of equity. The Bill would not do justice to the returned men as a whole, because, after all, only a very small percentage of them are interested in the matter; and of those who are now on farms 7,400 have kept their payments up to date, or practically so. These men and their holdings would be first-class risks for any mortgage or loan company in Canada. There are approximately 3,000 men coming within what is called group 3 who have paid a considerable portion of their dues and are in reasonably good condition. Whether they will be able to carry on satisfactorily will depend entirely on crop and stock conditions. Some of them carry on fruit farming, others have stock farms, while others are operating mixed farms. It is reasonable to believe that a large proportion of these 3,000 men will make good. There are 1,600 men in class 4, who are considered by the Department to be rather hope-

less cases. I do not believe this Bill would make the slightest difference to those men in class 4, because they are so deeply in the hole. They have demonstrated their inability to operate successfully the farms on which they are placed, and the obvious inference is that they will abandon the farms, which will be handed back to the Farm Settlement Board.

I said before the committee, and I desire to repeat, that it would be better for the country to turn those farms over completely to the men who are now on them, to abolish the Farm Settlement Board, and to transfer the rest of the Board's work to the Department of the Interior or some other administrative branch of the Government. If this were done we should at least be rid of a large proportion of this annual expenditure of \$700,000. I am quite aware that to take this action would not be altogether fair to everyone concerned, but it would at least relieve the Government of a large annual expenditure for the carrying on of what we might almost call a needless work.

I have already said that the Bill is neither just nor generous. It is not generous, because a large number of these men, 7,400 of them, are doing well and are only slightly behind in their payments. If this Bill were passed, these men would get a reduction of 30 per cent on only the comparatively small balances they owe, whereas the 1,600 men in class 4 would get a reduction of 30 per cent on almost their total liability. In other words, the Bill would bonus the men who have not been able to make a success, and penalize those who have been successful.

The men on these farms are not pensioners, but returned soldiers. In the past, by the remission of interest and the revaluation of their lands, we have virtually bonused them to the extent of approximately \$35,000,000. It is quite true that they were entitled to a part of that benefit, because their farms, stock and equipment were, as a rule, bought at peak prices, but it was considered that the remissions that were made in 1922, and particularly those made in 1927, brought about the necessary adjustment and reduced the valuation of the farms to the prices prevailing. The sum of \$10,288,000 was involved in that; so there still remains about \$20,000,000 given as a bonus to these men. Now the Bill proposes to bonus them to the extent of a further \$11,000,000. We have a large number of returned men in Canada. Why should we give special favours to those who elected to go on the land? Why should we give them \$20,000,000 plus \$11,000,000, a total of \$31,000,000, unless we are prepared to give all other returned soldiers a cash bonus? If we pass this legislation we are going to have