

current values of land under similar conditions in that district at the time of revaluation. When a survey was made of those who were eligible under the 1927 amendment for revaluation, it was found that 10,697 were eligible to apply. Of this number 8,325 applied for revaluation; later on, 187 of these withdrew, so that the net number applying was 8,138, and 2,559 were satisfied with their prices. While 8,138 settlers had applied for revaluation, 8,109 of these applications were completed by the 31st March last, that is, as far as the field work was concerned. Final revaluation awards have been made in 7,392 of these cases, and the average reduction in the original purchase price has been 24 per cent. This refers to the original cost of the land purchases, and does not take in any revaluation of moneys advanced for stock and equipment, because stock had already been reduced 40 per cent.

Following through by way of summary, it will be seen that the soldier settler got—

- (1) Free interest on stock and equipment for 2 years;
- (2) His whole loan consolidated and given interest free for from 3 to 4 years;
- (3) Reduction in the original cost of stock of 20 per cent or 40 per cent;
- (4) Reduction in the original price of land averaging 24 per cent.

The effect of all these concessions has been that the settler has had the use of the money advanced to him through the Soldier Settlement Board up to the present time at an interest rate of from 3 per cent to 3½ per cent.

#### The Result of Revaluation

As it has been stated, the settler has received a reduction of 24 per cent, or practically one-quarter of the original purchase price of his land. Taking it on the average one-quarter reduction on the purchase price of the land means one-quarter reduction in the interest. The interest was 5 per cent per annum. One-quarter of this is 1¼ per cent, so that on the average the settler is now paying on his original loan about 3¾ per cent.

Revaluation, as I have stated, is not fully completed, but is very nearly so, and what has been done shows certain results, as follows—

- (1) Revaluation in some cases has completely wiped out the land indebtedness.
- (2) Those whose payments were kept up, or nearly so, and who got revaluation, find their annual payments much reduced thereby.
- (3) Those who were badly in arrears, on the crediting of their awards now find their annual payments greater than they were before.

In order to understand this, it is well to explain that when an award was completed the settler was not only credited with the amount of the award but also was credited with the interest on same at 5 per cent from the 1st October, 1925. This was the termination of the interest free period on his consolidated loan. After he had been credited with the amount of his award, together with the interest, as stated, then the balance of his account was amortized over the remaining period of his loan. Where a settler's loan was badly in arrears, after receiving the credit of his award and interest from the 1st October, 1925, the balance of his loan was reamortized, but the effect of his arrears was such that his payments were greater than they were originally. This created a situation that was not intended through revaluation, and the Board,

in order to meet this situation that was thus created for those who previously had allowed their accounts to get into arrears, adopted the policy of asking, for a stated number of years, that the settler pay interest only and taxes and insurance, deferring principal payments. A survey of the cases coming under this policy, and which the Board grade as 3 and 4, has shown that there are different reasons for their failure to keep their accounts in good standing, and among them might be enumerated—

- (1) Their original purchase price much too high;
- (2) Climatic conditions affecting crops;
- (3) Not using farm for best revenue-producing purposes;
- (4) Certain physical disabilities;
- (5) Settler unsuited for farm life.

In all these cases except some in (5) of the above, readjustment was made through revaluation, and I would say that a safe estimate would be that in these cases a 40 per cent reduction on an average has been made in the purchase price of the land; in some cases very much higher. Forty per cent is two-fifths reduction of the principal. This means two-fifths reduction of the per cent paid, which reduces it to 3 per cent on the original loan. It is now felt that with the reduction of the original purchase price, the asking for interest only will give a number of these grades 3 and 4 settlers an opportunity to place themselves in such position that they will be able later on to undertake the payment of part of the principal. Of course they have the opportunity at any time of reducing their principal indebtedness if they are able to do so. It is expected that with these decreased payments, the settler will use the balance that might be asked for in improving his revenue-producing situation, either by bringing more land under cultivation or by purchasing more stock. I might remark here that since revaluation is about completed as far as the field work is concerned, the Board's Field Supervisors are now giving more definite attention to these classes of settlers, in giving them advice and direction and supervision toward the ends just named above.

I have also, in very much briefer form, some figures that are decidedly pertinent, which I think the members of this House and the country at large should have.

The net amount advanced to soldier settlers by the Farm Settlement Board is \$108,287,000. There has been repaid by soldier settlers on that account, in round numbers, \$30,000,000. This leaves a net investment made by Canada in the soldier settlement lands and equipment, of \$78,287,000.

Canada's equity in that \$78,000,000 has been very materially reduced, as follows: There has been written off by revaluation in 1922 and 1927, \$10,288,000. The estimated loss on the resale of lands recovered—that is, lands given back or abandoned—is \$8,000,000. The actual loss on live stock is \$6,000,000. The anticipatory loss on live stock and equipment paid for by the Department is \$2,500,000. The amount of interest remitted to date is \$10,000,000. The estimated loss of interest which has not yet