

Once again your executive have found it necessary to devote their time and attention to this problem, but we are pleased to report that conditions regarding the standing of arrears of taxes on S.S.B. lands are vastly improved from what they were one year ago. In so far as those lands, which before being acquired by the board, were fully patented and tax paying, and which are still occupied, are concerned, we believe that our difficulties are nearing an end. From the reports which we have received it would appear that the board have paid on behalf of the soldier settler during the calendar year 1928, the sum of \$333,374.34—

I hope the member for Argenteuil is listening, because this accounts for a large part of the advances.

—to the municipalities of the province. We are further informed that arrangements are now being made for the payment of arrears of taxes on every parcel of land coming under this classification.

The only point of difference between the board and municipalities is in regard to lands that have reverted to the crown. No attempt is being made to hold those lands, they are placed on the market and sold as rapidly as possible. and will not long be a factor in the tax problem. It must be borne in mind that this is one of the most difficult problems, the government having been in possession of so much land, and it will continue until the final payments have been made by soldier or civil purchasers. The taxes will be a first charge on the crop and on the land, so that the municipalities have not much to complain of in that regard.

Mr. CAMPBELL: I am ready to admit that there has been a very great improvement in the tax situation since the minister made the changes he did some time ago, but there still remains a very grave problem in connection with unoccupied lands. There are a great many of the lands which were not exceptionally good when taken up, and now that they are discarded and left in a very poor condition, the municipality is of course piling up a heavy indebtedness against them. In many cases bonds have been issued against lands which were assessable in the municipality. Schools were built, ordinary liabilities incurred by the municipality against them, and there is therefore a great hardship on the municipality. I have here a letter from the Saskatchewan association of rural municipalities, a copy of which was forwarded to the minister, and I will read it in part. It refers to the fact that the department is now paying taxes on these lands, which taxes, before the lands were acquired by the board, were fully paid. The letter states that they

have included in the classification certain other lands, such as school and Indian lands. It goes on to say:

Our most serious grievance however, is in regard to those lands held by the board which have been abandoned by the soldier settler or where his contract has been cancelled. There are large amounts of arrears of taxes outstanding against these lands and the financial position of many municipalities is being undermined through their inability to collect these taxes. With a view to clearing up the whole situation, a series of meetings have been held by the committee of the Western Union of Rural Municipalities, which organization is comprised of representatives of the Saskatchewan Association of Rural Municipalities, the Manitoba Union of Municipalities and the Alberta Association of municipal districts. As a result of these meetings, it has been decided to ask the government at Ottawa to so amend the S.S.B. as to replace these lands in the tax-paying category in which they stood before being acquired by the board.

The letter goes on to mention an amendment which is proposed to the act and which these organizations hope the minister will look upon with favour. The suggested amendment reads:

In case any land which has in any way been disposed of by the board to a settler, or which has been mortgaged to or charged with the payment of money in favour of the board free from the claims of the settler, it shall be lawful for the board to pay all lawful rates, taxes and assessments chargeable in respect of such land accrued before or accruing after the same becomes vested in the board; and if the board does not duly pay all such taxes, then the lands in respect of which the same are payable, shall become liable to sale or forfeiture or both pursuant to the provisions of any provincial statute for the recovery of taxes.

After all, there is an important principle at stake, I see no reason why the federal government should enjoy any special privileges in this regard. If lands are held in the title of the crown, lands which have been used and against which bonds have been issued and liabilities incurred in connection with improvements made at a time when there were settlers on that land, it seems to me only reasonable to expect that the government should assume the responsibility which any ordinary ratepayer in the municipality or any mortgage company is obliged to assume. I quite appreciate the fact that there has been a vast improvement so far, but I do think that the minister ought to go the whole length. I do not say that the principle should be applied to crown lands not occupied; but in respect to crown lands which have been used and which have once appeared on the assessment list, the board should assume their proper responsibility and pay their share, just as is done by ordinary owners of any other land. Certainly the government should not be in