

seed grain. They amounted to something like \$18,000,000, if I remember correctly. The dominion government placed its guarantee behind \$14,500,000. That was five years ago. That guarantee is still outstanding, practically in its entirety. The people who purchased the seed have not reduced the amount by more than a very small fraction. I have not looked it up recently, but I would be surprised if more than \$3,000,000 or something like that has been paid off. So that if I were to say that I did not care whether these people paid these bills or not, it would simply mean that I would be saying to the great body of taxpayers in Canada: You must assume another fourteen or fifteen millions dollars of debt. I am not prepared to say that.

The hon. member is fair enough to say: Do not write the whole debt off; but say to the people, do not pay it now. Then, when shall we say they ought to pay? I think the only position I can take is that the persons who bought that seed should pay for it as fast as they can, as soon as they are able. I do not think I would be justified in taking any other position. Otherwise, it would mean the assumption by the taxpayers as a whole of the Dominion of Canada of the price of that seed which was sold in 1938 to the persons who bought it. They have had many extensions already. There have been orders in council making extension after extension. I do not think I can give the undertaking for which the hon. member has asked.

Mr. COLDWELL: I wish to say a word on this question. I was out of the chamber for a time this evening. While the minister may feel from the point of view of his finances that he is justified in making a statement such as he has just made, nevertheless I should like to bring to his attention that the year 1938 came at the end of eight years of exceedingly low prices for farm products, and not only exceedingly low prices but after a series of crop failures such as this country had never before experienced in any part of it. If, as the hon. member for North Battleford says, there had been a great fire or extensive floods in some part of Canada and the rest of the country had been called upon to assist, that assistance would have been given readily to help the distressed area to rehabilitate itself. While there was neither fire nor flood, there was probably the worst crop failure in the history of any part of Canada.

During the past two years better crops have been reaped and prices have improved to some extent, but in my opinion present farm prices do not yet return a sufficient

amount to enable the average farmer—and I use the word “average” advisedly—to meet all his carrying charges and operating expenses. In other words, for the average farmer present prices are still below his cost of production. We are now imposing an income tax which allows him to carry forward his losses for two years beginning with 1942. I felt when the minister made that announcement, that while two years was better than a single year, it would have been fairer to average the losses or the profits, as you will, over a period of, say five years. I think that is particularly true in regard to the prairie provinces. This pressure for the collection of old debts comes when heavy income taxes are being imposed. They are heavy, but we are not complaining about that. I do not know of any better way of spreading the taxation of the country over the community than by an income tax. I am not complaining about that. The minister has not heard us objecting to the general application of income tax; we do complain, perhaps, about the taxation on the lower income groups. But I wish to join the hon. member for North Battleford in the plea that debt pressure be eased at this time. I know that in Saskatchewan the provincial government is endeavouring to collect all kinds of petty debts that are owed by the people, and the farmers are now in a position where they see other industries being assisted financially very largely by the government, while they have to bear the whole cost of their new machinery and all the equipment they need in order to make good the shortages of labour. Hence I think that, while the situation is better than it was, we are justified in making a plea for more lenient consideration, particularly in regard to the old debts, and in suggesting—I said five years, but even three years would be better than the two that are included in the present resolution.

Mr. SLAGHT: I do not desire to stir up any sectional antagonism, but I would point this out to the hon. member for North Battleford, who I am sorry has departed, and to the hon. member for Rosetown-Biggar. Under this resolution those whose chief occupation is farming are given two years in which to offset their losses. The minister has made it clear that the business man, the little storekeeper at the cross-roads who is a quarter of a mile away from the farmer, cannot have two years on account of his having been in the red and having taken losses. I think my hon. friends who are speaking on this matter know that the country storekeeper has his