

effective. They should have seen that provision was made for hospitals, other institutions and young children.

I believe I have said all I wish to say, but I have made these few observations because the people I represent expect me to bring matters of this kind to the attention of the house.

Mr. G. H. CASTLEDEN (Yorkton): Mr. Speaker, I rise to join with those who have voiced protest against the type of income tax form, and the general picture of farm incomes in western Canada. I cannot speak for eastern Canada, because I am not so sure of conditions here. Let me assure all hon. members that the protest is a real one. It is a protest against a condition of injustice, discrimination and maladministration, which exists and is not good. This condition exists in western Canada in a very real way, or we would not have this kind of protest against the present set-up.

Farmers are a tolerant and long-suffering people. I can tell the house that they thought this government would so change the income tax form, and would so simplify the matter, thereby giving them justice, that they delayed their protest until recently, when they received the new so-called simplified form. I used the word "simplified" in a jocular fashion, of course; because if anything could be considered complicated, then certainly it would be the form recently issued. It would require a Philadelphia lawyer and six parliamentary assistants to prepare one of these forms. And when they had finished I am quite sure that most lawyers could find a hole to go through it.

Mr. KNOWLES: That makes the parliamentary assistants shudder.

Mr. CASTLEDEN: The general picture of farming in western Canada is one which requires official attention. If these new income tax forms prove anything about the government, then certainly they prove that those who are responsible for preparing the forms do not understand the position of western farm people, nor do they understand the conditions through which these people have passed.

Mr. BLACKMORE: They do not care; that is the main thing. They just do not care.

Mr. CASTLEDEN: In studying this matter I would ask hon. members to recall what western farmers went through for about fifteen years prior to the war. If anyone will look at the record issued by the bureau of statistics he will see that they became indebted to the extent of about \$680 million. That was the burden of debt carried by the farmers, part of which was levied against the municipalities.

[Mr. Knight.]

That was the result of work and hard labour by people who had gone on year after year under a condition wherein the cost of production was not covered by the price of the commodities they sold. The mortgage indebtedness of that part of the country was terrific.

The first opportunity these people ever had of showing their heads above the debt line came with the slight increase in the price of the commodities they sold during the war. We maintain that, in fairness and in justice to those people who did so much for Canada—so much, indeed, that if they had not carried on, despite the debt under which they operated, Canada would not have had the machinery with which to produce the food and sinews of war. They should not now be confronted with this form. On those farms was equipment which permitted them to continue their work and to do their job well.

What did they do with their money, as soon as they got it? They paid off their indebtedness out of money which they received largely in 1944, 1945 and since. Now they find that no allowance is made for the payments they made on their previous debt. We maintain that, in all fairness to these people, the farmer should be allowed to deduct from his income any money which he pays off on debt incurred prior to 1940 at the end of the depression. Surely that is not too much to ask. The farmers have been loaded down with debt. A good many paid what they owed out of their incomes in 1942, 1943 and 1944, even before they had any idea that they would be taxable for income.

The farmers during the war were asked to produce, and did produce, and often they did not get the cost of production. When we were sending gifts of food to Britain the farmers were quite willing to make their contribution. Wheat was bought from the farm at fifty cents a bushel, which was below the cost of production, and was sent over to Great Britain as a gift. Why was the farmer not allowed at least his cost of production? Manufacturers of tanks, guns and other war equipment were guaranteed profits on their production. They went on strike at the beginning of the war and got cost-plus contracts.

In 1942 the farmers in the west got a crop, but the government quotas prohibited them from delivering their grain in 1942, and they had to build bins on the farm and store it. I think the regulations allowed the delivery of five bushels per acre. The same regulations were in force in 1943, and the farmer again had to store his grain in bins on the farm. In 1944 the government said: Deliver all your grain. The farmer did so. He delivered the grain