

To purchase a 10-foot International power binder in Canada requires 333 bushels of wheat. To purchase the same binder in the United States requires 183 bushels of wheat.

May I add that these were the figures before the end of June of this year, when price ceilings prevailed in both countries. Moreover they do not take into account the increase of 12½ per cent on Canadian manufactured farm implements and other recent changes which have played a part in this great disparity. The disparity in the purchase price of automobiles in each country is at least twenty-five per cent greater than in the case of farm implements.

I do not think any minister will rise in his place and say that these are not essential articles on any farm in Canada. So I think that the statement of the minister and other statements of a like nature are disproved by these facts. To purchase that same tractor would require in Canada the price of twelve finished 1,000-pound steers, while in the United States for the same type of tractor the proceeds of only eight such animals would be required. In a practical way that is convincing evidence of the great disparity existing in these two countries, prior to July 1 of this year; everybody knows that things are in a turmoil down there and the present disparity is very much greater.

As was pointed out in discussions yesterday, the output of farm equipment has been reduced by the lack of steel, and authorities in the United States say that this type of production in that country will be decreased this year by twenty-five to thirty per cent. I am sure nobody will disagree when I say that full production is the true basis of real wealth. Productivity of essential goods is real wealth in this or any other nation, and we should never lose sight of that fact.

I have here the current Review of Agricultural Conditions in Canada, issued by the statistical branch of the Department of Agriculture, for June, 1946. In this magazine it is set forth that since January 1, 1946, that is during the past six months, cattle slaughterings in Canada have decreased by 12 per cent, hog slaughterings by 30 per cent, milk production by 3 per cent, and dairy cows on Canadian farms by almost 2 per cent—to be exact, 1·9 per cent. As this pamphlet is issued by the Department of Agriculture I do not suppose anybody will challenge these figures.

In the matter of personal income tax changes to become effective on January 1, 1947, the inequity of the difference which has been maintained between the wife who works in industry or an office and the farmer's wife has been repeatedly argued by myself and others in this house since 1942, when that disparity

was created, allowing the wife and the man who worked in industry or in the office an exemption of \$1,860. I want to object to the provision decreasing the wife's earnings exemption to \$250. A levelling up process should have taken place rather than a levelling down process. This, again, affects production of much-required foodstuffs at this time and in this country. I am sure the minister has received representations in favour of allowing the farmer's wife a certain amount of exemption in respect of dairy produce raised on the farm, poultry, eggs, garden produce, and so on, and I know that managers of creameries have asked that this concession be made in order to increase the output of foodstuffs. I am sure that if that had been done it would have made a big difference in the production of these articles which I have mentioned. Rather than decrease the exemption from \$660 to \$250 there should have been a levelling up process in favour of the farm wife and of all married people, because it would certainly have aided in the much needed production of foodstuffs.

With respect to taxation of cooperatives, it is my view that it should not be retroactive on the patronage dividends; and that, as I understand it, is the meaning of the statement made by the minister, although I admit that some of his arguments and observations were vague and hard to understand. Therefore I simply repeat that I do not think these patronage dividends should be taxed on a retroactive basis, as I understand they are bound to be.

Mr. ILSLEY: No retroactive legislation is proposed.

Mr. ROSS (Souris): As I said, some of the terms used by the minister are vague. However, the proper place to discuss this matter in detail will be in committee of the whole, when we can carry on a question and answer discussion with the minister, and I intend to do so.

I should like to support what my colleague, our financial critic, said the other day about the civil service. We have many very efficient civil servants, but, as he pointed out, in pre-war days there were about 70,000, and during the war the number has increased to approximately 150,000. One year after the termination of the war there has been a decrease of approximately one-half per cent—less than one per cent. Sometimes it is difficult to decide just who are within the civil service and who are in other branches of work under the government to-day.