

forward losses for one year. There has been a differentiation in favour of the farmer who is allowed to carry forward his losses for two years. The difficulty of reaching back into the past to bring forward losses against present profits is that past losses cannot be ascertained with any degree of accuracy. Unless there is to be guesswork pure and simple, there would be gross discrimination between farmers. The only way to do it is to start with the year of your legislation, so that the farmer or the business man who sustains a loss will know that the definite ascertainment of that loss will be important to him, and he may carry it forward against future profits.

Mr. CASTLEDEN: Agriculture is an industry which has been depressed for a long period of time. The farmer is practically bankrupt, and he requires something by which he can build up his industry and put it into shape for more efficient production. Many farmers have suffered from ten years of depression, and they are taxed when in one year they are able to get, say, \$3,000 of an income. This hits them very, very hard, and if some method could be worked out whereby the farmer could make some payment on his indebtedness or could be given some period in which to recover himself, that should be taken into consideration. He will resent this provision very much. I might say in passing that I do not think it will affect more than ten or fifteen per cent of the farmers.

Mrs. NIELSEN: Mr. Chairman, under this resolution I wish to bring to the attention of the committee a situation which exists at the present time in Saskatchewan. Saskatchewan members may have been receiving letters, as I have recently, from farmers about the collection of seed, feed and relief debts. I have seen a number of the notices that have been sent out by the provincial government claiming the payment of relief, feed and seed debts away back to the year 1934. I should like the minister to understand that if the provincial government goes ahead with the collection of this debt, it will be one of the most damaging things to our war effort which has yet been allowed, and it will be damaging not only to our war effort but also to our war loan campaign which is presently to start. I wish the minister would make a statement about the collection of the 1938 seed and feed debts, because many of our Saskatchewan people do not differentiate a great deal between the provincial and the federal government, and the relationship of these relief loans is not very clearly understood by them. The majority of these loans carry interest of from five to six per cent. This spring any

[Mr. Ilesley.]

amount of small cash which our farming people have is needed to set them up and get them ready for the coming season, and it is a terrible thing for them to be presented at this time with these old bills. Personally I think it is scandalous that any one group of Canadian citizens who suffer, say, from fire or flood or drought, an act of God for which they were not responsible, should be expected to assume the burden of that disaster which should have been placed on the shoulders of all Canadian citizens.

At the recent municipal convention held in the city of Saskatoon the question of these notices that have been sent out by the provincial government received, I believe, more attention than any other item. Eight resolutions were brought forward on the matter, and a great deal of discussion took place upon it. Several of the delegates wanted complete cancellation, while others asked for a fifty per cent cancellation, with a ten per cent advance of the 1938 feed account paid with current taxation before exemption certificates could be issued, according to section 357 of the Rural Municipal Act. It seems to me that in this question of food production for the war effort the dominion government should take into consideration the needs of these farm people to equip themselves for the spring season. I would ask the minister and, indeed, I think he should make a statement to the effect that the payment at least of the 1938 debts should be held over for a time and that they will be finally scaled down to a very great degree. If the federal government is to press the provincial government for the payment of this debt, then I think definitely some proper book-keeping should have been done by the provincial government. The notices now going out do not state in many instances what the people have already paid off the debt by doing road work. If the government does not intend to press for the payment of these debts, why all this time spent and bookkeeping done in sending out notices by the provincial government?

Mr. ILSLEY: Mr. Chairman, I am not at all sure that the discussion of this matter is in order under this resolution. I did not take exception to it at the time the hon. member brought it up, because it did have some very remote connection with farm losses, I suppose. The hon. member asks me to make a statement to the effect that the dominion government is quite willing to have these debts remain unpaid for a time longer. I am afraid that I cannot make any such statement. The 1938 advances were very heavy advances for