

The Address—Mr. Wright

agriculture enjoyed a proportionate share of the national income with the other economic groups.

According to a pamphlet issued by the Canadian Federation of Agriculture there has been only one period in Canadian history in which this has occurred; that is, the years 1915-1919. Agriculture will be satisfied with parity prices established only on a basis that will give it a proportionate share in the national income with other groups. This pamphlet shows that the average income per farm in 1932 in Canada was \$198 in cash and kind, and \$111 in actual cash. From that time on there has been a substantial improvement. In 1941 the total cash income of the farmers of Canada was \$876,500,000. Adding produce consumed on the farm amounting to \$172,000,000, we get a total income of about \$1,048,500,000. Deducting expenses of \$363,000,000, which according to the Rowell-Sirois report is about what the expenses would amount to in that year, we get a total net income of \$685,500,000. This figure, however, does not include depreciation or interest on investment. Dividing it by the number of farm units, we find that in 1941 the average income per farm was \$914.

At the present time we have available income figures for only the first nine months of 1942. Working them out on a percentage basis, we find that the average net income per farm for 1942 would be about \$1,005. On the average farm there are at least three people engaged. This gives an average income of about \$335 for those three people.

In spite of these facts, we see articles in the press suggesting that the farmer is not paying his fair share of the income tax. This is an entirely inadequate income at this time, and if the government are to get the increased production necessary for a successful war effort they must give further consideration to the establishment of parity prices for farm products, which are at present entirely out of line with the returns to industry.

Another matter which I should like to bring to the attention of the government in connection with increased farm production is this. In industry, if the government wants increased production of any commodity and it is necessary to have new plant and equipment for the purpose, depreciation allowances are made which enable the industry to write off the cost of that plant in two or three years. This was shown quite clearly yesterday by the leader of this group when he read quotations from the report of the special committee on war expenditures. But when the government ask for increased farm production they make

[Mr. Wright.]

no allowance for depreciation on the additional equipment that the farmer must buy to get that increased production. This is a distinct preference given to industry.

Again I wish to state, as I did at the beginning of my remarks, that it is only by long-term planning for agriculture that we can hope to obtain much further increase in production. While it may be that the present shortages in butter and dairy products are not entirely the fault of the government, nevertheless they must accept a considerable share of responsibility. I do not like to be one of those who say "I told you so," nevertheless in 1940 I did point out in this house that our export of dairy cattle to the United States had increased thirty-five per cent over that for 1939 and our export of calves to that country had increased by fifty per cent. These were largely dairy calves. Anyone who knows anything about agriculture would know that this increasing shipment of dairy stock out of the country would result in a shortage of dairy products sooner or later. Nevertheless nothing was done about it. At that time the price of butter was entirely out of line with the cost of production, and farmers naturally disposed of a large amount of their dairy stock because of that and of the shortage of labour.

If we are to get the increased production that the government have asked for, we must have long-term agreements with the countries to which we are exporting. It is not enough to have agreements which just run from one year to another. Our agreement with Great Britain should continue at least for the duration of the war and two or three years after, so that agriculture could be assured of a market for its products if our herds are increased as the government is asking at the present time. The methods being followed in the United States in their long-term plan, of establishing local committees of farmers prepared to advise in the carrying out of the AAA programme, have been a means of bringing about great additions over there. It is a democratic way of obtaining the support and the participation of the farmers for any such plan, and I believe it could be used with great advantage in Canada to-day in our war-time production effort.

There are several other matters which I should like to bring to the government's attention. Two of them are the implementation of the Veterans' Land Act and the amendments to the Soldier Settlement Board Act recommended by the committee on land settlement last year. In that special committee last year I endeavoured to have a parity price clause written into that agreement. I thought this might be a suitable place for