

Agricultural Products Act

attention to the family incomes of the people of this country. I emphasize again that it is a mistake to allow the farmers of western Canada to go out of livestock and to put the premium on wheat; not that wheat is too high, for the farmer's costs have gone up even faster than his wheat—but we are developing an unbalance that is aggravating our export problem and is helping to upset even our domestic equilibrium.

The farmer's costs have gone up far more than have his returns. At page 586 of *Hansard* of February 16 of this year there is a table that I would commend to the attention of hon. members. That table gives the gross farm income for the years from 1928 to 1948, and the net income. The difference of course represents the farmer's costs. These are the simple production fixed charges against agriculture. These costs are the taxes, the interest on the mortgage, the farm rent, the feed and seed. This does not include the farmer's food, his family's clothing or any improvements to his home. These are simply the fixed charges, the operating costs of agriculture. For instance, in 1943 the gross farm income was \$1,610 million, the net farm income was \$969 million, and the cost was \$641 million. In the years following, the cost greatly increased, and the price index for tractors, for fuel and for all of those things that go to make up farm costs jumped faster than the farmer's return.

There is another factor that has discouraged the farmer from raising livestock, and that is the income tax structure. The first year I was here, I remember, the hon. member for Selkirk (Mr. Bryce) told a long story about the farmer going home from the income tax inspector's office. In that office he had accounted for every cream cheque, for every bit of fluid milk and for everything he had sold. And as he drove home he said to himself, "I'll no milk cows for Ilesley." There is a new Minister of Finance, but the same thing is true.

The farmer has not been permitted the proper exemptions in order that he may run his business. In this speech I do not intend to discuss the budget, but I am glad that some consideration was given to the small businessman who, with the aid of his family, conducts his own business. I am glad that up to \$10,000 the income tax rate does not jump; it is held even. It is only after \$10,000 has been attained that the rate goes up. I suggest that the farmer in his business is in the same category as the man in the small manufacturing business for instance. The farmer has been compared to the wage earner, and improperly so. The farmer more closely resembles the small businessman because they both must buy the tools with which they work.

They both must buy the plant; they both must own and pay for the buildings, the equipment and the place in which they work. The farmer and the small business corporation have much in common. I think we should do for the farmer what we have done for the small corporation, namely, hold the tax rate to the same level until net income exceeds the \$10,000 level.

Mr. Hackett: The small businessman is not exempt. It is the company.

Mrs. Strum: I have not heard any remarks addressed through you, Mr. Speaker, but I would say to my friend, the hon. member for Stanstead (Mr. Hackett), that I know the small businessman is not exempt; but the rate of his business tax does not go up until after the \$10,000 mark. The rate is retained. If he will look at the table, he will see that the man pays a smaller tax on the first \$10,000 of his business, but it is not jumped until after he reaches \$10,000. The first \$10,000 is not exempt, but the rate at which he pays does not increase until after he has reached \$10,000. I looked the matter up this morning, and I recommend that the hon. member do the same.

We come now to the export market. A great deal has been said about that market. This morning I was interested to observe the patience with which the house listened for about two hours to all the criticism made by the hon. member for Neepawa (Mr. Bracken) when he bludgeoned the Minister of Agriculture with all the problems of the export market. I do not intend either to analyse the export market or to give a cure-all. But there are a few things that I want to point out.

The report I have in my hand is from the United Kingdom information office. It contains the report of a speech that Sir Stafford Cripps made recently in an interview with the Canadian Press. In it he made a few statements that I think should be put on the record here. In relation to trade he said:

We will gladly buy from you all we can but naturally you want to be paid and paid in dollars. These are provided either by our exports, by other sterling area exports, or else by your credits or by ERP off-shore purchases.

Then further on he goes on to say:

Both during the war and since we have been importing much more from across the Atlantic than we could pay for out of current earnings or than we could ever afford to do before the war. However vigorous and resourceful British exporters may be in expanding their share of the Canadian market (at present just over one-tenth of Canada's imports are supplied by the United Kingdom), it is quite unrealistic to imagine that we can in the foreseeable future earn enough Canadian dollars with which to buy supplies from Canada on a wartime scale.

There is no mystery about this. From the United Kingdom we accept only one-tenth of