

I am not going to labour the point nor am I going to quote from tables extensively. However I would point out for instance that in the year 1945-46 Manitoba contributed \$1,866,590, whereas Ontario contributed \$1,086,000 and Quebec, \$59,000. This makes a difference between Ontario and Manitoba of about \$800,000, despite the fact that the number of farmers in Manitoba is one-third the number in Ontario. I could place on record the figures for 1944-45 which, I suggest, would give about the same picture.

The very nature of western farming is entirely different from farming in other parts of Canada. In the west it is big business and entails heavy capital expenditures, because the farms are necessarily large. Consequently, before a person begins farming his costs are high. Then, the cost of operation is correspondingly high, because a man is working a larger tract of land, with the consequent larger operational costs.

There is a further factor which is most important, and particularly as it applies to income tax. I have in mind the fact that the farming enterprise in the prairie provinces is much more precarious than it is in other parts of Canada, and many conditions bring this about.

First, there is the matter of fluctuating prices. Fortunately, in the last few years, under this government, definite steps have been taken to stabilize that factor. And under the wise guidance of the Minister of Agriculture (Mr. Gardiner), who is certainly thoroughly familiar with conditions in western Canada, I am sure we shall not have to face the wide fluctuations in prices we have had in the past. I am quite sure that there will always be some fluctuations because there are hardly any local markets in western Canada. In my own province of Manitoba there are only two cities, greater Winnipeg with a population of 290,000, and Brandon with a population of 17,000. Consequently we have to go outside of the province.

Another factor which should be kept in mind is the hazards of nature in the west. I was surprised to notice the normal precipitation of rainfall in the western provinces. Many people think that in the west all is well outside the drought areas as defined by the Prairie Farm Rehabilitation Act. However, as an example, I should like to take the town of Morris, a thriving community of 1,000 population, situated about the centre of the Red river valley in my constituency. I think that district is recognized by all as being the best agricultural part of the province. It is supposed to be the most prosperous. Morris

[Mr. Jutas.]

is situated half way between Winnipeg and the United States boundary and just about half way between the Ontario and Saskatchewan boundaries. It is in the centre of the province and of the Red river valley. The normal annual precipitation at Morris is 17.9 inches, whereas the normal precipitation at Lethbridge, which is in a drought area, is 15.01 inches. The normal precipitation at Indian Head, which is also in a drought area, is 17.4 inches, which is just 0.5 inches under that at Morris. Consequently there are many crop failures in districts outside the supposed drought area. Farming is a precarious and costly enterprise.

The trust, loan and mortgage companies failed to understand this in the thirties and they paid heavily. They had based their agreements for loans principally upon eastern conditions. During the boom period they went out and lent money to the farmers quite freely and, when the depression came, they got panicky and began to fear they would not get their money. They then dashed out to try to collect all the money they could from the farmers, and in many instances they removed the very means of producing revenue which could have been used to pay them. The result was that in many cases they failed to collect and, what was worse, they left behind feelings of distrust and even hate. They failed to realize that it was to their advantage to enable the farmers to produce rather than to drive them off their farms by their efforts to collect too much, too quickly. They ruined the picture. As we know, our friends of the C.C.F., particularly in Saskatchewan, capitalized on that point with considerable success. That experience is full of significance for all concerned.

The farmer in western Canada either takes a heavy loss or makes a large profit. The chances are that he will get one crop out of three. When he gets a good crop he makes a pretty good profit, and all in all it balances from one year to the other. I realize that the enactment last year of the three-year plan will help the situation tremendously and I must again express our gratitude to the Minister of Justice who was responsible for that measure. However we have two more years to go before the plan comes into operation. Times are good now and some temporary relief in the meantime would be more than welcome.

On account of the heavy operating costs and capital outlays the farmers of western Canada went heavily into debt during the thirties, but I am happy to point out that the trend in that respect has been most encouraging to date. I