

I would point out that cattle is the only agricultural product to-day on anything like equality with the prices prevailing before 1930. If we take the index of all farm products for the period from 1926 to 1929 as 100, the figure for 1940 would be 69. Costs are down, but not to anything like the same extent, and those costs have increased considerably since the beginning of the war. The exchange situation alone has automatically increased the price on important machinery such as tractors.

The situation, then, is that labour is in a sheltered position; industry is booming; finance is thriving because industry is active, but agriculture is left to look after itself. According to the Searle index, labour in 1939 received wages 91 per cent higher than those of 1913-14. Further than that, we have the statement of the Minister of Munitions and Supply (Mr. Howe) on February 25, that some \$307,000,000 has been supplied by the government to industry in this country by way of capital assistance. Of that total, approximately \$10,000,000 went to British Columbia; \$16,000,000 to the three prairie provinces, and by far the greater part of the remainder to Ontario and Quebec.

I had the privilege of visiting the city of Hamilton not long ago. I was amazed at the work being carried on there, but I was later surprised to learn that that city, with a population of approximately 160,000, had received something like \$26,000,000 by way of capital assistance to industry. Why, even the city of Niagara Falls, which is not very large, received \$14,000,000 for this purpose. So, Mr. Chairman, you see how all this money which has been put into circulation by the government has intensified the difficulties of agriculture at the present time. It was pointed out by the hon. member for Haldimand that even before the outbreak of this war, agriculture, which includes approximately one-third of the population of this nation, received only about one-twelfth of the national income, and this great disparity has been increased since the war.

I believe farming should be considered, first, as a way of life and, second, as a business; that is, the farmer should be encouraged in every way to produce a livelihood for himself and his family. In this regard I should like to make some reference to the processing tax. Last year this matter was discussed; and, if I remember correctly, the Minister of Agriculture expressed the opinion that the producer who took his own grist to the mill should not have to pay this tax. On September 3, however, 1940, order in council P.C. 4387 was passed setting up the regulations

governing the payment of this processing tax and, after some protest by producers throughout the country, on February 1, 1941, order in council P.C. 134/813 was passed, rebating this tax to the producers of Quebec, New Brunswick, Nova Scotia and Prince Edward Island.

In Manitoba, from which I come, we have forty-three flour mills, two of them located in my own constituency. The secretary of the provincial millers' association is also one of my constituents. I communicated with the various millers through the province in order to ascertain what they had collected from the producers and turned over to the government during the first six months of the operation of this tax; and after having received that information, I am satisfied that, if this policy is continued, these local grist mills will be forced out of business, which will be an added hardship on those farmers who normally have their gristing done in this way. I have here the information from fifteen of these mills as to the amount collected by them from July 20, 1940, to February 1, 1941, as follows:

Turtle Mountain Milling Company—	
Deloraine .....	\$ 3,200 00
Steinbach Flour Mills—Steinbach..	4,333 70
A. W. Snider—Wawanesa.....	1,012 20
Treherne Flour Mills—Treherne....	585 22
Holland Flour Mills—Holland....	459 40
Morden Milling Company—Morden.	1,527 15
Somerset Flour Mills—Somerset....	} 6,000 00
B. P. Kent Milling Company—Virden	
Harrison Milling and Grain Company—Holmfild .....	1,200 00
Winkler Milling Company—Winkler	1,700 00
Morris Milling Company—Morris..	5,331 55
Gardenton Flour Mills—Gardenton.	3,318 00
Roblin Flour Mills—Roblin.....	889 65
Hamiota Flour Mills—Hamiota....	4,445 54
Pine River Milling Company—Pine River .....	1,452 45
Total.....	\$35,454 86

Average per mill tax paid on gristing, July 20, 1940, to January 31, 1941, \$2,363.

I do not know why there should be this discrimination as between these four eastern provinces and the rest of the country; and I think some consideration should be shown those producers who wish to have their own gristing done. They should not be taxed for having their own flour produced for their own consumption.

I am convinced that somebody must endeavour to create a plan for agriculture in this country from coast to coast. During the early years in western Canada, such a plan was not needed, but to-day the situation has entirely changed. On those prairies we have some three million people, many of whom were born and raised there and who desire to