

could be calculated, as in any other industry. I think it is up to the farmers' organizations to attend to this. I am speaking now from experience acquired in an attempt to put farmers on a proper basis in this regard about twenty-five years ago.

The CHAIRMAN: In order to give every member of the Committee an opportunity to ask questions, I propose to call the name of each member proceeding from left to right. Have you any questions, Senator Sinclair?

Hon. Mr. SINCLAIR: No.

The CHAIRMAN: Senator Hayden?

Hon. Mr. HAYDEN: No.

The CHAIRMAN: Senator Buchanan?

Hon. Mr. BUCHANAN: Mr. Hannam, would you put the expanded buildings and equipment on farms in the same category as annexes and other additions to elevators that were made necessary during the war years?

Mr. HANNAM: Certainly not all increases. I would say that a great deal of expansion in farm buildings must be considered as normal expansion. But when we can show that certain expansion was definitely wartime expansion, why should there be any difference between agriculture and industry?

Hon. Mr. LAMBERT: I think it is a question of your basis.

Hon. Mr. BUCHANAN: When you speak of dispersal sales of livestock, are you thinking of farmers' livestock only or are you including ranches in this brief?

Mr. HANNAM: I think that a large ranch is likely to be on an inventory basis? Is that not so, that it would likely be already on an inventory accrual basis?

Hon. Mr. CRERAR: Not all.

Mr. HANNAM: If they are large businesses the probability is that they are on that basis. If they are not, this basic herd plan could apply to them.

Hon. Mr. BUCHANAN: The Western Livestock Association was proposing very much the same thing as you are. I want to know whether you are thinking only of the farmers or whether you are including the ranchers.

Mr. HANNAM: We think it is a fairly satisfactory plan for handling inventory, using the numbers of the basic herd rather than the value as you do in a business inventory. We see no reason why it should not be worked out for the rancher as well as for the livestock farmer.

The CHAIRMAN: Senator Crerar?

Hon. Mr. CRERAR: Am I right in assuming that in the preparation of this brief you have had in mind the average farmer rather than the specialized farmer?

Mr. HANNAM: Right.

Hon. Mr. CRERAR: How many of what might be termed the average farmer—that is the fellow who grows some grain and sells some hogs and some cattle each year, and perhaps a little butter and cream—how many farmers like that do you think take off what could be described as a proper balance sheet each year?

Mr. HANNAM: A very small percentage.

Hon. Mr. CRERAR: I should think, not one in ten thousand.

Hon. Mr. ASELTINE: Oh!

Hon. Mr. CRERAR: I am correct.

Mr. HANNAM: As a guess I should think it would be higher than that.