

talking about. I feel that at the present time income tax levies are too heavy and exemptions are too low. These things certainly help to cut production.

In support of that, I have a table showing production of hogs, which I shall read into the record. These are the figures for the hog population of Canada at June 1 in each of the years mentioned:

1937 .....	4,016,000
1938 .....	3,527,000
1939 .....	4,364,000
1940 .....	6,002,000
1941 .....	6,081,000
1942 .....	7,125,000
1943 .....	8,148,000
1944 .....	7,741,000
1945 .....	6,026,000
1946 .....	5,377,000

I am sure that when we get the record for 1947 it will show a drastic reduction from the figures I have just given.

I believe that at the present time the heavy income tax levied against farmers is to a great extent responsible for the cut in production. Even at present rates it will be noted that for every four hogs the farmer turns out for himself, after reaching a profit of \$500, he must turn out one for Mr. Abbott. Farmers do not relish doing that.

Also the method of paying the bonus on barley, oats and feed wheat does not satisfy farmers who are producing grain. They feel, and properly so, that if they are to produce grain and feed hogs they are entitled to exactly the same treatment as the man who does not grow grain but feeds it to hogs. In other words, the bonus on feed grains should be paid to the man who raises the hogs. In many cases those who feed grain are much nearer to their markets and have an advantage over those who grow the grain and feed it.

We have quite a number of complaints about farmers having to pay income tax on returns from the production of poultry, eggs, cream and that sort of thing. I have here a sample letter which was sent to me from Vermilion not very long ago. It refers to an article in the *Edmonton Journal* which advocated the stopping of production of these small items if the farmers were compelled to pay income tax, and it reads:

I am enclosing a clipping from the *Edmonton Journal* of December 13, 1946, out of the letter box.

For the last three or four years this has been my idea and I would safely say the idea of at least 95 per cent of the farmers of this district. If our dear friend Mr. Ilsley wants to cut into our profits anywhere from a third to forty-two per cent he better come to the farm and help feed these pigs and milk the cows after we get through working in the fields the usual short eight hour day the farmer puts in.

If the powers that be had the brains we figured they had when we sent them down to look after our affairs they would remove the butter ration in less than six months by simply allowing the cream cheques for pin money for the wives and children of the farmers. I can name any number of farmers who are not milking just for that reason and not bothering to feed pigs in spite of the literary wandering of our pig man, Mr. Gardiner, that farmers make more money out of selling grain.

He goes on to say that he believes he has made his position clear. I am trying to state to the house the stand taken by thousands of our farmers at the present time. Farming is our basic industry and it should be encouraged in every way possible. While newspapers and other records state that our farmers' debt is reduced, and I agree that it is reduced to a certain extent, those authorities who send out those figures must also agree that the farmers' equipment has reached a state where they will have to buy practically a full line of farm equipment just as soon as it is possible to get it. In many cases that will cost the individual farmer thousands of dollars. Farm homes and outbuildings are run down, and many farm homes require electrical and other appliances which are not there at the present time and which should be available to our farm population.

At the present time the prices of our farm products are stabilized to a great extent, but the prices of things the farmer needs are on the increase. There should be a subsidy on the manufacture of binder twine in order to hold down the price. Our farmers are complaining bitterly about the increase in items of production over which they have no control. While the prices of their products are pegged, the prices of things they have to buy are allowed to increase.

An amendment to the Prairie Farm Assistance Act is long overdue, and I hope the Minister of Agriculture will bring in this legislation so that we may have an opportunity to discuss this at greater length. Many farmers feel that this should be on an individual farm basis and in that way many of the injustices now created would be done away with. I have here a brief which was presented to the government on April 16 by the Alberta Farmers Union and the United Farmers of Canada, Saskatchewan section. In their summing up they recommend a four-year average for income tax purposes to replace the present three-year period. Then they say that in the case of dispersal sales of live stock, an equivalent number of animals to those owned on January 1, 1941, be considered a capital asset and not subject to income tax. I believe that request is fully justified. If a man invests