

order paper in my name. I am going to read this so that all may see just what we mean. It was presented on February 7 and it reads:

Whereas agriculture has seldom received its fair share of the national income of Canada;

And whereas the cost of producing all agricultural products varies considerably from year to year;

Therefore be it resolved,—That, in the opinion of this house and in the interest of the nation as a whole, the government be requested to set the prices of agricultural products at such a level that it will guarantee to the farmers of Canada such a yearly percentage of the national income as will have the same relation to the national income as the agricultural population bears to the national population of Canada.

That, in effect, is exactly the stand we think should be taken. Agriculture would then have no complaint because it would be getting its fair share of the national income.

There is another problem facing not only agriculture but other industries. I refer to man-power. This has a bearing upon agriculture, industry and the active army, and the problem is becoming more acute every day. It did not result overnight; it resulted in the first instance from lack of a sound policy on the part of the present government. The fact of the matter is that the government used neither skill nor foresight in the formation of its policy, but was guided almost entirely by political expediency and consideration.

Now that the invasion has started and our casualty lists grow, replacements become more urgent. The difficulty will certainly not be lessened. The government must accept their responsibility; they cannot side-step the issue. It must be faced. As time goes on, it will become more serious. I am not going to say anything more about the man-power policy, but a lot of difficulty lies ahead for agriculture, industry and especially for the armed forces. I have spoken on the question before and I am not going to labour it to any great extent. However, for a minute I wish to refer to the labour problem and then I am through. I spoke on this on the speech from the throne and I do not want to cover ground covered already. I do not think the speech of the Minister of Finance delivered the other day is sound in logic, and I should like to quote briefly from his remarks as quoted in *Hansard*. I quote first from page 4177 as follows:

I have been forced to the conclusion—

Forced, mind you!

—that it would be a desirable change in our income tax law to discontinue the refundable feature of the income tax leaving as the full rates of taxation, the rates of pure, non-refundable tax as they now stand, and depending on voluntary savings to replace the proceeds of the compulsory saving provision.

[Mr. C. E. Johnston.]

I cannot understand the logic of that. He wants to give relief by withdrawing the compulsory portion of the tax, and at the same time he wants the people to turn around and invest in bonds. Where will be the relief if they follow that advice? They will be short of money in any event. I believe the Minister of Finance was on sound ground when he had the compulsory savings. It was fair, and he so stated. To expect that that money will be put into victory bonds is not going to accomplish what he desires to accomplish. As he has pointed out, the people are continually cashing them in, which defeats his purpose. He goes on to say:

The refundable feature of our income tax law provided simply a method of borrowing and of borrowing for progressively shorter terms as the war goes on. With the provision of allowances for contractual savings, it embodied a principle of fairness which I regret to relinquish.

Then why did he relinquish it?

Mr. ILSLEY: For the reasons stated in the speech.

Mr. JOHNSTON (Bow River): There again I think the minister was unsound in his conclusion. As I read this over, I begin to think he did that against his better judgment. I may be wrong, but certainly I think he was wrong.

Mr. ILSLEY: I gave the reasons in my speech.

Mr. JOHNSTON (Bow River): The minister said, "I have been forced to the conclusion". What that means is a matter of interpretation; nevertheless it is there. It seems to me that in that statement the minister was admitting that this was another thing which had been done because of political expediency. I hesitate to make a statement of that kind, but I am almost forced to do it. The minister continued:

Nevertheless, if this particular method of borrowing, despite its virtues, has the one fault of discouraging production at this critical period of the war, or if by its rigidity it creates hardship among those, income groups whose incomes leave little room for adjustment, then another method of borrowing must be found.

It is recommended, therefore, that no further deductions for the refundable or savings portion be made after June 30, 1944.

He says that it discourages production; yet he is going to give back the refundable portion and ask the people to invest in bonds. They will be short just the same. That is not going to increase the amount of money they have. It will help them for the time being, but it will not relieve them of any burden of taxation. If the minister were sincere I think he