

their products prices that would return them, not merely cost of production and a fair remuneration, but a fairly high profit. That is the only way that debts can be paid, debts of the size of those accumulated during the years of depression. Unfortunately, just about the time the government allowed prices to rise on agricultural products they also imposed very heavy taxation, with the result that when the farmers started to pay off or to try to pay off those debts, they found that the debts had increased by reason of the fact that they were called upon to pay income tax around thirty or forty per cent, and that made it that much more difficult for them to pay off the debts they had incurred. To a large extent those debts represented unpaid expenditures and therefore I think the government would have been justified in eliminating all taxation on the repayment of those debts which had been incurred prior to 1942 because, as I say, they to a large extent represented unpaid expenditures and we do not tax expenditures.

Then today, of course, farmers are having difficulty in meeting their taxes and are being handled in quite a rough manner by some of the income tax inspectors. It is only natural that they should be feeling critical of the government. That is why today you hear the common expression, "I am not going to milk cows for Ilsley", or "I am not going to slop pigs for Mr. Ilsley". As I say, that is the result of the culmination of a number of things. It is not just because the farmers are required to pay high taxes today. I think they are fully justified in that attitude. I am not saying they are justified in attacking the former Minister of Finance, but I say they are justified in criticizing the past policies of the government in regard to agriculture.

Our main opposition to many of the present controls is that, by their very nature, they become self-perpetuating. We are told that they are required in order to deal with conditions resulting out of the war; that is, to a large extent to deal with shortages of consumer goods. But, unfortunately, many of these controls help to restrict production and thereby delay the day when they will no longer be needed. We believe that it would be advisable to remove all controls which have any tendency whatsoever to restrict production and which result in a reduction of goods for distribution in Canada because of higher prices in the export market.

We hear a great deal today about the need for keeping prices of goods down. I would say to the minister that it is of very little help to an individual to keep the price of an article down if, as a result of that action,

you make it impossible for the individual to buy the article. So I would say that there can be no compensation for a loss in production. A loss in current production is a total loss; and, no matter how much you may increase your production in the future, you can never make up for a loss of production today. If prices are being held down at the cost of production, then I would say that the cost is too great. I think you need only go to an auction sale today to see the truth of that statement. What do you find when you go to an auction sale? Are people refusing to buy goods at the sale because the price is too high? No. They will bid against each other, and they will buy at a higher price than that paid for the article when it was new. That is the condition to be found at farm sales. You will find that a farmer will pay more for a second-hand piece of machinery than that piece of machinery will cost on the market new, for the simple reason that he is so greatly in need of that machine that he is willing to pay whatever price is necessary in order to get it. That is why I say that the government is not justified in keeping prices down on any article if, as a result of that action, it curtails the production of it.

During the war, emergency powers were necessary; and I think the government will agree that the people of this country conscientiously supported the controls passed under those powers. They did so because they recognized that those controls were essential for a maximum war effort. But when hon. members go on to say that, just because we had controls in war, we should have similar controls in peace, then I disagree; because the situation is entirely different in peace time. In war time, somewhere in the neighbourhood of fifty per cent of the production had to be drained away from the channels of consumption and used for war purposes, with the result that there was tremendous pressure on prices. Today the situation is entirely different. Today we should be encouraging maximum production in order to give the Canadian people the highest standard of living that the country can supply, not for the purpose of maintaining a maximum war effort. To my mind, the people of this country are not willing to barter their freedom for a mess of pottage, or for so-called security.

In the past the people have always been willing to defend their freedom, no matter what the cost might be. I recall that Hitler promised the world one thousand years of peace, but we preferred to go to war rather than be made the slaves of nazism. The people of this country have no love for regimentation.

[Mr. Quelch.]