

*The Address—Mr. Low*

it spilled over the ground and exposed to the elements in this country.

We will gladly support every effort that is made by this government to remove barriers and restrictions on trade. Indeed, we urge the government to do their utmost to make trade with all other parts of the world as free as is possible, while still retaining sufficient economic defences to ensure the future well-being of our economy. Above all, because of the widespread distress amongst the farmers of this country today, we urge the government to do everything possible to get shipments of grain moving again so our farmers can deliver their produce and get paid for it.

When we talk about trade and marketing our Canadian production in other countries of the world, we are often met with the assertion that one of the reasons we have not a single food contract with Britain today is that our prices are too high. We are told from many quarters that Canadians have priced themselves out of many markets of the world. However that may be, it is a fact that we labour in this country under many natural disadvantages of climate, geography and transportation. These should be enough without adding government-created disadvantages. We in this corner are convinced that the government of Canada today should be placing real emphasis on ways and means of lowering the cost of production in Canada with a view to making it possible for our basic producers, especially, to compete successfully for the world's markets. This government has done nothing whatever since it came into office in 1935 to deal with this serious problem of the mounting costs of production in our country. As a matter of fact I think it can be shown that, perhaps unconsciously, this government has done many things that have increased the cost of production; and I am referring not only to agricultural production, but to other kinds as well.

We had during the last session an example of something the government could have dealt with very easily, had it been in the right mind to do so. We discussed here a resolution calling for the removal of the sales tax that is charged on purchases of road machinery and building supplies by municipal governments, and purchases of school buses by school districts. This foolish, and I think senseless, practice simply makes the municipalities and school districts of Canada tax collectors for the federal government. And these taxes that have to be paid by the farmers in the municipal districts do add to the cost of production, and of course render it more difficult for them to compete for the markets that exist. In addition to this, the failure of the government to provide some

relief from the heavy corporation tax which is charged against utility companies has had the effect of making railways, telephone companies and electric power companies tax collectors for the federal government, and they sit here and hide behind it. The people do not realize what is happening.

The great burden of these utilities corporation taxes falls upon the basic producers in the country in the form of increased freight rates, which naturally has the effect of inflating production costs and making it much more difficult for our farmers and other primary producers to compete for markets in other parts of the world.

Farm machinery prices have advanced away out of all reason. Some inquiries have been made into this particular situation, but so far nothing like a comprehensive inquiry has ever been made into the cost of production over-all in Canada, particularly of primary products. We think it is time to do something about it, and therefore we very seriously and strongly advocate the setting up of a commission to study the cost of production, farm and basic as well as industrial, and to make recommendations as to ways in which these costs can be brought down in order to put our Canadian producers into a more favourable competitive position.

Such a survey could be of real value from more than one point of view. I suggest it could be used as a basis for the establishment of a program of support prices in Canada for agriculture. I am sure every thinking and serious Canadian realizes that something has to be done to ensure the stability of agriculture and the prosperity of our farmers and other producers.

I would draw the attention of hon. members to the fact that practically every other section of our Canadian industry is protected in one way or another. Industry is protected by tariffs, customs duties and price settings; labour is protected by union organization and labour legislation as well as federal and provincial legislation, setting minimum wage scales, retirement plans and so forth. Only the farmer is left to struggle on alone at the mercy of every other section of society.

We strongly advocate the adoption of some plan or policy that will guarantee to the farmer his fair share of the national income. That, I think, is the greatest problem we face in our economy, and something has to be done about it. I suggest also that it is the greatest problem faced by the United States economy. We can never make claim to justice and fairness to all our people as long as we allow the farmers, who make up more than 20 per cent of the population of our