

The Address—Mr. G. S. White

Generally speaking, we believe the great rise in prices of recent years is not due to the action of any one specific group or institution. We do not believe that the whole cause of the great rise can be laid at the door of exorbitant profits in business, or the high wages of labour, or an increase in the middleman's margin or the operation of speculators and certainly not on the doorstep of the farmer.

And then from page nine there is a paragraph headed, "Long period of cheap food", which reads:

The cold facts are, and they can stand to be emphasized before this committee, food prices were cheap relative to wage rates from 1931 to 1939 because prices for farm products were below the cost of production. The consumers' cost of food was being subsidized by the farmers for at least eight years before the war.

The concluding paragraphs in the brief are as follows:

We have shown that urban consumers have made great gains over the past 50 years in their food purchasing power per hour of work. Hourly wage rates in September of this year could buy about 60 per cent more food than they could in 1913, or 68 per cent more than in 1920, another year of inflation. It can still buy almost as much as in 1939, which was a year of cheap food compared with wage rates.

The farmer does not begrudge the gains of urban groups, provided the gains are not made at the food producers' expense, and provided these gains are in line with increases in productivity. The farmer had a strong suspicion that urban wage rates were seriously out of line with food prices and the prices for farm products from 1930 to 1939.

The facts as presented in this brief bear out this contention. This disparity was hidden during the war and early post-war period by special government action. We are not criticizing this action in this presentation. But the fact remains, and again it needs to be emphasized, that consumers in general became used to a relatively cheap food situation which could not endure under normal free market conditions. When consumers have to bear the full cost of production of farm products it is only natural that it should be quite a jolt to them.

The farmers reject absolutely any suggestion that the position of agriculture, labour or consumers can be fairly measured today by any reference to 1939 or 1935-39. Those were years of agricultural depression and years of above normal food purchasing power for consumers.

I would point out, Mr. Speaker, that there is absolutely no comparison between the hours that the farmer must work to earn \$5 and the hours that a member of a labour union must work to earn \$5. Yet in the computation of income tax both are taxed on the same basis. As has been mentioned so often before in this house, the farmer has always felt a grievance because he has never been allowed anything by way of deduction for the work that his wife and other members of his family perform on the farm. If the farmer sells pulp, wood products, sand or gravel, he must show the proceeds in his income tax return, but it appears to me that once the sand and gravel are gone there will not be a second crop. The same thing applies in a lesser degree to pulp and wood products. If the farmer sells a whole woodlot it is a capi-

tal gain, but if he should take off ten per cent each year for a period of ten years he is taxed.

I should also like to mention to the Minister of National Revenue (Mr. McCann) that the item in the farmer's income tax return whereby he is taxed for produce raised and consumed on the farm is most irritating to the farmer. Why the minister and his department insist that this item be continued is rather difficult to understand. Another irritation to the farmer in regard to income tax is the question of bookkeeping, and also the question of the deduction of income tax as far as hired help are concerned. The forms are still complicated despite the assurance we received from the minister last year that the 1947 form was to be a simplified one. Before this session opened I read in the press that we were to have another new form which is going to be so simple that anyone can fill it out, and no taxpayer will ever again have to consult an accountant or a lawyer. All I can say to the minister is that I hope the 1948 return will be an improvement over the form he produced in 1947.

Income tax rates are still most excessive. Many veterans have used their re-establishment credits, together with borrowed moneys, to go into business. The veteran is taxed on his earnings or income from the day he starts his operation. Today he finds himself in the position where he must repay with interest the money he borrowed. He must pay a heavy income tax. In many cases it will be years before the veteran is re-established.

Women working in cities find themselves in the position where they have an exemption of \$750, a figure which today will not cover the cost of board, laundry and carfare, the bare essentials. I contend, Mr. Speaker, that the general rate of income tax should be reduced, that the exemption for a married man should be at least \$2,500, and for a single person \$1,250, together with an increase in the allowance for children and other dependents. The allowance of \$300 for children over sixteen years of age, attending school or college, is almost absurd. I would ask any hon. member who has a boy or girl over sixteen years of age attending school or college how far that will go toward clothing and educating that child. We find that a wife is allowed an exemption of \$750 and a single person the same. It has always been hard for me to reconcile why a wife should be allowed an exemption of \$750 when, for a child going to school, and probably costing his parents more, the father is allowed an exemption of only \$300.

I should like to commend the hon. member for Vancouver North (Mr. Sinclair) for bringing to the attention of this house the statements made by the member for Vancouver Centre (Mr. Young). It appears to me strange