

generally speaking, I think we should carefully guard against setting up an extensive system of offices all over Canada, although somewhere in between there must be a happy medium which would help to meet to some extent the problem of the rural man and the man in the small town. This is something to which I believe the minister might well give consideration. I have seen this thing worked out from a practical aspect so long that I should like to see the minister look at the matter from the point of view of the average rural dweller, and, having gained that perspective, find out if the position cannot be reviewed and something done. I realize the difficulties which face him. On the other hand, we have surmounted many difficulties in days gone by. I will add nothing more at the moment, but I submit the suggestion for his earnest and serious consideration.

Mr. FURNISS: I happen to be a farmer, and I agree with what the leader of the opposition has said regarding the bookkeeping of farmers. I do not suppose one in five hundred keeps track of his costs of production or of what he gets for the products he sells. The reason, as I see it, is that there is no object in the farmer doing so. In business, bookkeeping is done for the sake of estimating costs. To the costs the business man adds a profit, and in that way he arrives at his selling price. But no matter what pains the farmer goes to in keeping his costs of production, he has no ability to add to them a profit, so that there is no object, as far as money making goes, in keeping books on the farm.

I might suggest to the minister that if, when these income tax forms are simplified, a simple book were prepared and sent out with them, so that the farmer would have it handy to mark down what he sells and what he gets for it, that would enable him to arrive at his income. So far as expenses are concerned, the greatest difficulty the farmer has is in estimating depreciation on his buildings and equipment. The first year that the farmer pays income tax is the most difficult, for upon what he makes his return that year depends his depreciation for years to come. The biggest difficulty I see in connection with his paying an income tax is to estimate a proper value of buildings and equipment. The higher the valuation is, the longer the depreciation lasts. The only suggestion I have to make is that some simple form of book be sent out which the farmer would find handy to mark down his receipts.

Mr. COLDWELL: Since the leader of the opposition has introduced this particular phase of the discussion—

Mr. ILSLEY: Yes; but could we not put these matters under their proper headings? It takes me all my time to keep them under their proper headings. The right place for a discussion of the farmers' situation is the next resolution.

Mr. GRAYDON: May I say to the hon. member for Rosetown-Biggart that I came in at the middle of the address of the hon. member for Wellington South, and he was speaking about the problems of rural people in connection with taxation. If I have transgressed, I am very sorry.

Resolution agreed to.

7. That taxpayers whose chief business is that of farming shall in respect of the year 1943 and for each year thereafter pay two-thirds of their income tax liability for the current year on or before the 31st day of December and the remaining one-third on the following 31st March;

Mr. COLDWELL: May I say a word on this?

The CHAIRMAN: I saw the hon. member for Qu'Appelle.

Mr. COLDWELL: I gave way just before, purposely. It is immaterial; I do not mind.

The CHAIRMAN: The hon. member for Rosetown-Biggart will follow immediately after the hon. member for Qu'Appelle.

Mr. COLDWELL: I do not mind; but I think, having given way before, I have precedence at this time. I am, however, willing to forgo it.

Mr. PERLEY: We have been listening to a discussion which has got a little out of order. The leader of the opposition stole some of our thunder; however, he put the case on record so well that I hardly think it is necessary to repeat much of it.

Resolutions 7 and 8 deal in the main with people whose chief business is farming. In speaking on the budget, the minister made the statement, dealing with the farmers, that the department were somewhat lenient this year, that they were making it a little easy for the farmers, not only by extending the period for making out the forms and paying the tax, but by providing, under resolution 8, that they can carry forward the loss in any one year for even two years. As I said when speaking on the budget, I think the minister was quite right in saying that this does ease the position of the farmer to a great extent.

There are one or two matters I wish to have straightened out. I agree with what the leader of the opposition and the hon. member for Wellington South have said with respect to