

Farm Credit Act

sector which services the private sector. What has been happening over the past few years, as all hon. members know, is that the service sector of our economy, which is the largest, has been increasing as a result of wage demands and fringe benefits. That sector has made gains far greater than the gains of the private sector. The private sector includes the agricultural industry as well as a great many other basic industries. The private industries have had no way of absorbing this increased cost except on a personal basis, and the prices they have received for most of their products are just not high enough to sustain a realistic income. This is what we have to consider and this has to be our number one priority.

Let me refer to the prices received by farmers for certain agricultural products. These are 1971 figures representing prices to the consumer and prices to the farmer. They were compiled some time ago, but the comparison is valid. The price to the consumer for a loaf of white bread was 21 cents, but the price the farmer received was 2 cents. The price of pork per pound was between 59 cents and 95 cents, depending on where you bought it, and the price to the producer was 22 cents a pound. A dozen eggs were selling for 47 cents at that time but the price to the agricultural producer was 25 cents. A 42-pound box of no. 1 McIntosh apples was selling to the consumer in the supermarket at \$5.50 but the farmers were getting \$1.92. A 40-ounce tin of apple juice sold for 48 cents and the farmer was receiving 7 cents. Milk was selling at 35 cents a quart but the producer's price was 17 cents.

Using that kind of table, it is my contention that unless something is done to offset the gains to the service sector of our economy compared to those of the private sector, there is virtually no way to attack this problem other than by granting some type of government assistance to the private sector. We must find some way to slow down these gains and allow the primary sector of our economy to catch up. One might call this assistance direct payments, a two-price system or anything else you like, including a subsidy to the consumer; but this is what we must do. We must look at the situation realistically. This government has made no attempt to view this problem in realistic terms in order to find out how the farmers and others of this primary sector can obtain a greater portion of our gross national product.

The consumer plays a vital role in any agricultural program. Recently, the price for food in the United States has become one of the big election issues which President Nixon will have to contend with before this fall. Consumers must be made to realize that the farmer's share of food prices has been too small. The press in this country could have a role to play in this regard. I do not think it has done anything to explain why there was a final payment for wheat and it has done nothing to explain many other questions of this nature about which consumers read in the newspapers.

Quite often we get the feeling in western Canada—I am sure this must also be the case in the agricultural areas of the east—that all the assistance to farmers is given in the form of gifts or handouts from the government and that the farmers are skimming the cream off the top. It is up to members of parliament, Canadians in general and the

[Mr. Murta.]

press to drive this point home. There has to be a realistic move to increase farm income.

There are four or five ways to approach this problem in respect of farm income. We could charge our export customers more, but we know what happens when we do that. In 1968-69, when the Wheat Board held the price of grain at an unrealistic level, we lost sales. It is the same old story—you buy from the person who sells at the lowest price and on the best terms. At this time I believe it is unrealistic and impossible to think of charging our customers more in order to give farmers more income. We could charge Canadians more for their food. Here, again, we run into consumer reaction to higher food prices. This could be called an additional tax on the poor because it results in an increase in the price of a loaf of bread. For various reasons this is not acceptable realistically nor, at times, politically.

Some people across the country are advocating another method of increasing incomes to primary producers. This would involve a supply-management technique or controlled agriculture. If we had import controls in a supply-management technique we would have to use price controls. If we raise the price of a product within the country, we must protect that price because we sell agricultural products firstly on the North American market and secondly on the global market. If we increase the cost of food to the consumer, if we operate on a supply-management basis in agriculture, one fear I have when considering the provinces is that we would be moving to a supply-management type of agriculture for Canada. I think we will find such a step detrimental to agriculture. So I do not believe the supply-management concept will work in respect of getting more money into the hands of the farmers.

• (2020)

We could do what we are doing now, which is nothing; we could go on basically in the same fashion. The minister responsible for the Wheat Board says farm incomes are glorious; he says they are rising. They are rising; he is probably partially right. But theoretically when you start at zero and go to five, the increase is only five per cent, which is not enough.

Mr. Knowles (Winnipeg North Centre): That is infinity.

Mr. Murta: They started out at infinity in 1968-69. That is the situation we found ourselves in through pricing ourselves out of world markets. The real return to agriculture is not significant. Therefore in my view we have virtually only one solution, which is assistance from the federal government in one form or another. I think we have reached a stage in agriculture when it is right and proper for the industry to ask for this much at least on the short-term, because otherwise we will not have an agricultural industry as we know it now. I believe that is certain. It would seem that a more realistic approach by government must be made to agriculture. As I mentioned before, we sell barley on the world market at 68 cents a bushel. As of late it has been increased to 73 cents. There is an increase but it is still not sufficient; the farmers' costs rise far too quickly.