

*Agricultural Products Act*

It is becoming clearly evident that the system followed by the government only postponed the evil day. In other words this government misled the consumers by setting artificially low prices for food, subsidized the producer to try to maintain production, and then charged this, plus the administration cost, back to the taxpayers of Canada.

Many consumers blame the farmers for the increase in food costs. Mr. Speaker, the farmers are not to blame for it. It has been the policy of this government which has led the consumers to believe that low food costs are their right. During the thirties the farmers produced food at much less than cost. And before these prices had a chance to rise, in proportion to other prices, this government froze prices of farm products. And only after a considerable amount of prodding by farmers' organizations across Canada it instituted a system of subsidies to both producers and consumers in order to maintain production in the country. These subsidies had the effect of partially maintaining low food prices. But who paid the subsidies? The taxpayer, of course—and an enormous administration cost as well. But the government has not seen fit to include direct taxation costs in the cost of living index. For some strange reason many people blame food costs alone for the rise in the cost of living. This also is not true because, as I said before, all prices have risen to the highest level in a hundred years—and more especially taxes.

To substantiate that statement I wish to quote from a speech made by Mr. H. H. Hannam, president of the Canadian Federation of Agriculture, at its annual meeting at Saskatoon on January 25. Referring to consumer prices he said:

Is it any wonder that farm people find it difficult to understand why in the last few years, there should be considerable criticism from consumers directed at food prices and indirectly at them? Farm people look at it this way:

1. In the ordinary functioning of our economy, agriculture, as explained above is not in a position to take more than its share, and the greater part of the time is in a position where it must accept much less.

2. The incomes of the people of Canada are higher than they have ever been before. Those incomes make costs high and in turn make prices high. When the price structure is high all along the line, it is unfair to single out food products and farmers as special objects of attack.

3. Food prices are not high in comparison with urban wage rates (the latter is one of the fairest measuring rods of urban purchasing power that we know of). For example: one hour's wages would purchase 9.1 pounds of bread in 1913; 8.4 pounds in 1926; and 13 pounds in August, 1948.

One hour's wages would purchase one dozen eggs in 1913, one and a quarter dozen in 1926, and one and a half dozen in 1948.

One hour's wages would purchase three quarts of milk in 1913, five quarts of milk in 1926 and six and a half quarts of milk in 1948.

4. Farmers subsidized consumers during the thirties by supplying them with farm products at below cost of production prices. Then the government subsidized consumers during the war years to maintain a low price ceiling. Now when consumers are asked to pay a fair exchange value for food products (except bread which is still subsidized for them) they complain.

That ended with the budget, of course.

Canadian consumers were in a privileged position for years; and it is said that recipients of privileges soon learn to consider them rights.

5. No industry has accepted as much restriction on markets (and accordingly on prices) in recent years as agriculture has done. Those restrictions were maintained for the benefit of consumers. And no section of our population have made as great a contribution toward holding the price level in check in these post-war years, to the benefit of the consuming public, as farmers have done by their support of moderate price level policies. Unfortunately they have been accorded little if any credit or thanks for having done so. Undoubtedly the real facts behind farm and food prices are not understood or appreciated by the Canadian people generally.

Many consumers believed that they were getting something for nothing, but whether you pay the retailer direct without any added administrative costs, or whether the government pays a subsidy, adds an administrative cost and charges it back as taxes, it all comes out of the taxpayers in one way or another. It is interesting to note what the hon. member for Rosetown-Biggar (Mr. Coldwell), the leader of the socialist C.C.F. party, is reported to have said in a radio speech, and I quote from an article which appeared in the *Globe and Mail* of February 11, 1949, reading as follows:

*Coldwell Attacks Inflation Policy*

Ottawa, February 10 (CP)—M. J. Coldwell, national C.C.F. leader, tonight attacked the record of the Liberal government in price control, agriculture and social security and said his party is the "only alternative" to the present administration.

"The C.C.F. has a positive program for combating inflation and high prices," he said in an address over the C.B.C.'s "Nation's business" series of free time political broadcasts.

I took the trouble to look up the dictionary to see what "positive action" meant, and I found that it means definite, unquestionably or absolute. In other words, Mr. Speaker, the socialists are sure that their program will keep down prices or, to use their own words, "combat inflation and high prices". But all C.C.F. members do not seem to agree with their leader on this point, and I should like to quote what the hon. member for Dauphin (Mr. Zaplitny) said on June 28, 1948, as reported on page 6011 of *Hansard*. I quote just a part of his speech as follows:

To those who say the C.C.F. want over-all control of everything, let me say that was never the suggestion of this group, for we realize that price controls are only a palliative to bolster up an economic system which does not function. If we are to continue to have a capitalistic system of distribution in this country it will become increasingly necessary