

*Agricultural Products Board*

13.4 cents a loaf if the wheat from which the bread is made was free. In other words, out of the 16 cents a loaf, only 2.6 cents went to the farmer and the rest went for processing and distribution. Again in connection with canned goods, as to a can of beans selling for 16 cents, the actual amount that the farmer received was 2 cents, and the balance was taken up in processing and distribution. Then, as to a \$50 suit of clothes, if the wool was free and if the farmer received nothing for the wool that goes into the \$50 suit of clothes, the suit would still cost \$40.50. And thus it goes all through the record, indicating that the farmer, even though he receives a fair and proper price based upon parity or almost upon parity, is not the one who is responsible for the high prices that are today being paid or for the high cost of living in general.

I do not know what can be done about the situation; but certainly in the world of today where agricultural production is necessary we in Canada should join the other members of the United Nations in the establishment of a world food bank, whereby reserves would be made available for distribution in those parts of the world that are today facing starvation and whereby surpluses that heretofore have resulted in a major fall in prices would instead be used for the benefit of mankind. Certainly something must be done to encourage agricultural production in this country.

At this late stage in the session I am not going to go into a lot of statistics; but may I say that while agricultural production, in the last five-year period, has increased 9 per cent over what it was in the five-year period between 1934 and 1938, the number of people in Canada is 12 per cent greater than it was during that period. Our production is going back. Canada's milk cow population is today the lowest in twenty years. The production of milk has gone down a matter of 1 million pounds per year since the end of the war. Butter production has dropped by 50 million pounds per year since the war. Cheese production has dropped by 100 million pounds. I think the time has come to do something in connection with prices in order to expand and to encourage production. One thing that today interferes with production is the degree to which income tax is levied against those who engage in extra production. This is a large problem but it is one that has to be met: and it will not be met by pieces of legislation such as this which empower a board to remove surpluses or to import, to buy or to sell agricultural products without parliament at the same time knowing, when

[Mr. Diefenbaker.]

it does so, that the farmer is going to receive a fair and reasonable price.

I should like to hear the minister tell the house and the country something about that conference in Rome. I read some of the remarks he made there; they were remarks that were certainly favourable to the people of Canada and acceptable to the people of Canada. The establishment and the acceptance by Canada of a world food bank is necessary today in order to ensure that, in years of overproduction, the surpluses will not be thrown upon the market and result in the kind of conditions that the hon. member for Charlotte (Mr. Stuart) has stated, in effect, are to be found in the maritime provinces in connection with fishing. Those of us who represent agricultural ridings, when we return to our constituencies, will be asked these questions: How is this legislation going to work? How is it going to operate? What prices are we going to get?

Today the farmer is disturbed over pork prices and the fall in them of some 25 per cent during a period of some three or four months. He is asking why it is that the price he receives has fallen by 25 per cent while the consumer has had no portion of the benefit in the prices he pays. That situation underlines the necessity for our knowing what we are doing when we pass this bill. It also calls upon the government of the day to do something to investigate the spread between the price the farmer receives and that which the consumer ultimately pays.

I cannot refer to another debate that is about to take place. Unfortunately I cannot be here for that one, having some time ago made my plans which require my presence in connection with a legal case. But when I see adopted by the government these plans for removing price maintenance and the like, I ask myself why it is that, as to foods, so much solicitude is shown for those great industries that distribute them and that no investigation has yet taken place to explain the spread between the price received by the farmer and that paid by the consumers, the people of Canada as a whole. Such an investigation would be a most interesting thing. That would be attacking the problem of prices. That would be attacking a matter that is of interest to every consumer, every farmer and every fisherman in this dominion. That would be a matter that would establish the facts so that ordinary Canadians like myself could understand why, when the price of pork goes down, as it has, the price paid by the consumer still remains the same.

Having said that, and not wishing to delay the house unduly at this time, I ask the