

*Supply—Agriculture*

people should better realize the position that the farmer, the minister and the government are in in order to stabilize this particular industry. Some time ago I made a few remarks at a meeting within my own constituency, and I mentioned the position that agriculture was in. I gave some credit to the support price program we had and the stabilization bill, and in the very next issue of our home paper I was very strongly criticized for the remarks I had made, particularly with regard to the stabilization program. The editorial went on to say:

The prices of agricultural products, like the prices of any other products, should be based on the consumers' needs—

Then it added:

Thus taxpayers get it coming and going. They pay for the cost of price stabilization programs and then they have to pay artificially-inflated prices for the foods they need and which are being produced in over-abundance.

That is the kind of misconception you can find in the press of those people not connected with agriculture. Therefore I hope we can in some way point out to other people that we have a terrific problem.

I wonder if we could just consider the position of agriculture at the present time and the trend we are facing. In the long term, the prospects for agriculture appear to be very good due to the fact that the domestic demand for food is increasing from year to year because of the increase in population. That is all to the good. A second encouraging factor is the high general level of consumer purchasing power which promises to continue for a long while. I should like in this connection to refer to an editorial which appeared in one of the newspapers some time ago. In connection with the purchasing power of the consumer's dollar, that article said that in 1929 an hour's take-home pay of a factory worker would buy five and a half loaves of bread, or three and a half quarts of milk. Today, one hour's pay will buy ten loaves of bread, or seven and a half quarts of milk. This is true in respect of almost all our foods—an hour's work does buy twice as much food as it did a generation ago.

A second point I should like to make is that we have been very fortunate in experiencing such a strong demand for some farm products from the United States, notably for beef. We are very pleased to have had a good export market for beef cattle in the United States on account of some shortages experienced south of the border, and this has placed the beef cattle section of the industry in a prosperous position. The same is true with regard to hogs, due to the splendid quality of the hogs we

are producing in this country. Then, again, there are the 22 products which have been placed under the support program, and this has certainly improved the stability of the prices of those particular products. In addition, there has been an expansion of the home market on account of the controls that have been placed by this government on the imports of certain food products which had been coming in from other countries. I think that everyone engaged in farming and in agriculture appreciates the action which the government has taken in this direction.

Now let us take a look at what we are up against, and the trend of agriculture in general. I think we must realize that the grain economy of western Canada is in an unsatisfactory position and that the purchasing power of the western farmer is unduly depressed. It seems to me that grain is a basic and major factor in the whole Canadian agricultural economy, and that the prospects for agriculture generally cannot be good unless measures are taken to provide for a substantial improvement in the income and status of the grain growers in western Canada. Otherwise, the western grain grower will be forced to diversify his production by raising livestock and so on, and we will find ourselves in more serious trouble than we are at the present time. However, I think that in years to come there will be room for increased livestock production in western Canada without the risk of flooding our markets.

I want to say a word about the western delegation that came down to Ottawa recently. I was very happy to be a farmer when I saw that delegation come into the city. Much criticism has been expressed about farmers marching to Ottawa, but I feel that farmers should be in the same position as any other group and that if they wish to come to governments and present a case they have every right to do so. I am sure that the western growers, regardless of any decision the minister might make, will accept that decision gracefully; just as gracefully as they came to Ottawa and presented their brief.

There seems to be some difference of opinion among a number of hon. members regarding the type of support which should be given to western grain growers, and there has been some opposition to deficiency payments. I, myself, do not think the western farmer is much concerned how the price of grain is brought up to a level which will enable him to meet his cost of production as long as he gets some kind of support. It is my impression that acreage payments were well received last year. The fact that they were considered insufficiently large was one of the

[Mr. Milligan.]