

*Supply—Agriculture*

The consumption in our own country must be considered. What has happened to the school lunch program that was talked about and the free milk for children in schools? The United States has experimented very successfully with a food stamp program which allows elderly people, old age pensioners and people below a certain income level to obtain food stamps so they can purchase food more cheaply. Surely there is no end to the possibilities for disposing of food. There is no doubt about the farmers' ability to produce food. No industry in Canada has increased its productivity more per individual employed than agriculture. The agricultural industry has produced so successfully and efficiently it has almost put itself out of business. No other industry has shown such a remarkable capacity to increase its commodity per person employed. The farmer has done his part.

The responsibility now lies with the government and with parliament to work out, first, the kind of programs which will give to the farmer a reasonable return for his commodity, which will enable him to maintain himself and his family and meet his obligations and, second, to work out programs by which the large quantities of food produced by farmers in this country are made available to people who need them both in this country and in many lands around the world.

I have no desire to make picayune criticisms of the minister, because this problem is much larger than any small, single issue. The real need in Canada is for the government as a whole, including not only the Minister of Agriculture but the Minister of Trade and Commerce and the Minister of Finance, to work out a national agricultural policy which recognizes that farmers in a competitive economy, and part of a large administered economy, must have government assistance and government direction. If the government is prepared to work out such a national agricultural policy I can assure him that he will have our wholehearted support. I say to the government that if it continues to ignore this problem and merely puts patches on what is a badly torn garment, the situation will go from bad to worse. Every time the agricultural industry gets worse this in turn has an adverse effect on the economy as a whole. The people of the cities are to a very large extent dependent upon the purchasing power of the people on the farms. A healthy agricultural industry is a basic prerequisite to a strong and expanding Canadian economy.

27053—460½

**Mr. Watson (Assiniboia):** Mr. Chairman, after listening to the minister speak last night I could not help but think of that beautiful picture he painted of western agriculture. I was reminded of jet streams at 37,000 feet above Saskatchewan. The view the minister had of the prairies must have been from that distance.

It is now obvious to all farmers that the Canadian negotiators at Geneva, including the Minister of Trade and Commerce and the Minister of Agriculture, were simply taken into camp by the wheat importing countries. Wheat is now selling at 22 cents below the price in April and 4 cents below the minimum of \$1.95½.

The situation in which the western farmer finds himself is particularly serious in view of developments that tend to put the farmer in a cost-price squeeze from which there is no escape. The prices that farmers must pay have risen all along the line to the point where they have to pay nearly double what they were paying seven or eight years ago for the things they need. The government is directly responsible for a great deal of this inflation. This is the unanimous opinion of economists, the provincial premiers, newspaper writers and even the president of the Economic Council of Canada, Mr. Smith. Recent reports of the Economic Council of Canada and an article which appeared in the *New York Times* written by Arthur J. R. Smith, the president of the council, in January reveal that government spending has been growing at an unsustainable rate.

● (5:20 p.m.)

Many of the things farmers buy are subject to the 11 per cent sales tax. Building materials are still subject to this tax. The farmer has been heavily taxed through rising prices of consumer goods, since he is one of the nation's major consumers. In the past five years he has paid a heavy indirect tax amounting to 18 per cent and 20 per cent on almost everything he buys. Yet the rise in the price of farm products has been small in comparison and in many cases there has been a decrease in the price of the things the farmer sells, such as wheat, cattle and hogs.

In 1951 for the entire year prime steers averaged 31 cents a pound at the Alberta markets. Though costs have soared cattle prices are well below what they were 15 years ago. At the same time, the consumer is paying for beef twice what he paid at that time. Somebody is making a tremendous