

Position of Agricultural Industry

Right Hon. J. G. Gardiner (Acting Prime Minister): In the absence of the Minister of Transport, I would suggest that this be taken as notice of a question which will be answered later.

WHEAT**INTERNATIONAL WHEAT CONFERENCE—INQUIRY AS TO AGREEMENT**

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I wish to direct a question to the Minister of Trade and Commerce or possibly the Minister of Agriculture as Acting Prime Minister. Would he say whether the government is in a position to make any report as to whether or not the international wheat conference in Washington has arrived at an agreement?

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): I would like to take the question as notice.

SUPPLY**AGRICULTURE—UNCERTAIN POSITION OF FARMING POPULATION**

The house resumed, from Monday, March 23, consideration of the motion of Mr. Fournier (Hull) for committee of supply, and the amendment thereto of Mr. Diefenbaker.

Mr. M. J. Coldwell (Rosetown-Biggart): I rise to support the amendment. I believe that it will be essential, I think it has been essential as a matter of fact for a long time, that every attempt should be made to achieve some relationship between the costs of production and the prices received for farm commodities in this country. I have always believed that that cost price relationship, which we sometimes call parity prices, is one that will be of tremendous interest to producers in this country, not only in the immediate future but in the days to come.

Over the past year we have seen the costs of production on all our farms of every type rising, and at the same time we have seen the prices of many farm commodities decreasing more rapidly than even farm costs have increased. As a matter of fact the study of the farm prices index for the past year issued by the dominion bureau of statistics indicated an almost startling decline in farm prices generally. From the beginning of 1952 to the end of the year the decline in farm prices was no less than 14 per cent, taking all farm commodities produced in Canada, and at the same time the cost of production of our farms as well as the cost of living on the farms was increasing. The composite index, for example, of farm costs, exclusive of August, 1951, was 237·8, and the

[Mr. McLure.]

living cost as of August, 1952 was 243·4. The index of farm prices at December, 1951, stood at 286·2, and at December, 1951, it stood at 244·0. Of course, the index is in some ways deceptive because it is based on a period when farm prices were unusually low prior to 1939.

We can see these costs of production I think rather clearly if we stop for a moment to examine the 1939 taxes on land and buildings owned in Canada, that is land and buildings largely on the farm. They totalled \$19,200,000 in 1939, and by 1949 they had increased to \$39,100,000. In 1950 they had risen to the tremendous total of \$58,500,000, an increase in taxes on farm land and buildings of over 200 per cent. I think that in a general way that is indicative of the difficult taxation problem on the farms.

Then, if we look at the cost of farm machinery we find tremendous increases as well. The high cost of farm implements in this country has been a matter for discussion in this house over a long period of years. We had an investigation into the high cost of farm machinery in 1936 and 1937. Recommendations were made to the government of that time, but nothing worth while has been done to control the tremendous costs of these machines. In 1945, jumping to the last year of the war, a ten or twelve-foot self-controlled combine could be purchased for \$2,800. Today the same combine costs approximately \$6,000. Now, one can see from this example, taking the cost of one farm machine, the extent to which farm costs of production have increased over the last several years.

A week ago the Minister of Agriculture (Mr. Gardiner), speaking in this house, indicated rather clearly that agriculture was fairly prosperous; yet in the same speech he told us that not more than 10 per cent of the farmers of eastern Canada made enough money to pay income tax and not more than 15 per cent of the western farmers made enough money to pay income tax either. As a matter of fact, his figures were rather high. A check of the figures indicates that the number of farmers paying income tax, east and west, will be considerably below the 10 per cent and 15 per cent mentioned by the minister.

Mr. Gardiner: If I may be permitted just to correct one word, I should like to do so.

Mr. Coldwell: Yes.

Mr. Gardiner: I do not think I contended that the farmers were prosperous. I said that they are better off than they had been before; that is all.