

Announcement of Hog Support Prices

October 1, 1959 to March 31, 1960, the support price will be at the mandatory level, which is 80 per cent of the ten-year average or \$23.65 per 100 pounds, basis Toronto and Montreal.

As is well known, hog marketings in 1958, and more particularly during the last quarter of 1958 and in 1959 to date, have been running at unusually high levels. This has resulted in hog prices over the past six months remaining at or close to the support level. It has also resulted in a considerable accumulation of pork products by the stabilization board. There is good reason to believe that one of the important factors behind the increased production of hogs is the development of so-called vertical integration, financed or sponsored in one way or another by large commercial organizations. The assured price under the existing stabilization program appears to have been an important factor in the greatly accelerated production under this type of operation.

I have therefore directed the stabilization board and officers of the department actively to explore the method of providing price support for hogs by means of a payment to producers, commonly described as a deficiency payment, rather than by an undertaking to purchase the product as at the present time. Under this alternative method the price of hogs would not be supported in the market, but producers would be paid the difference between the actual average price received and the prescribed support price. This method would make it possible to withhold payments from commercial organizations operating under the so-called vertical integration plan, and to limit payments to any individual to a specific number of hogs delivered.

I am sure that all who have knowledge of hog production and marketing procedures will agree that before radical changes are made an administratively sound plan must be developed. Consequently I cannot at this moment state when the proposed change can be put into effect. However, I wish to assure the house that every effort will be made to complete the necessary studies and put the alternative plan into effect at the earliest possible date.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, the house will have listened with great interest, I think, to the statement of the minister, and there will be an opportunity very shortly when we resume consideration of his estimates to debate that statement. I gathered from the statement that the government have felt that the policy previously adopted in this matter was unrealistic in the figure the minister has given for hog support prices, and that they have

felt that this figure represents an incentive payment. They have now taken steps, in their wisdom, to correct that situation by introducing a new principle in respect of this product, that of deficiency payments. In that respect, Mr. Speaker, we on this side get some satisfaction out of the fact that the government has adopted the policy put forward in our national convention resolution, where we advocated deficiency payments when required.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, the announcement by the Minister of Agriculture with regard to hog prices is most disappointing.

Some hon. Members: Oh, oh.

Mr. Argue: Hon. members on the government side of the house can snicker and giggle if they wish, but the hog producers of this country will not look kindly on an announcement which states that the floor price beginning October 1 will drop from \$25 to \$23.65 a hundredweight. This is not the kind of policy we had expected from the government in view of its oft repeated promises given to agricultural producers of their fair share of the national income and of support prices based on parity.

I had thought previously, Mr. Speaker, that when the government undertook to announce support prices at the height of the production season, those support prices would be announced at an earlier date to allow farmers to gauge their production for the period covered by the support prices. The minister, who is a hog raiser himself, knows that a great many plans are already under way for the production of hogs this year, and that the quantity of hogs which will be going on to Canadian markets in the current year has now, for all practical purposes, been decided. This therefore is an announcement of a reduction at a time when the farmer has no opportunity to adjust his production to this lower price.

This is a demonstration we believe, Mr. Speaker, once again of the drastic results that will flow from the government having failed to give fair prices to the western grain producers. We all realize that in desperation western grain producers have transferred a very large part of what was normally strictly grain production to the production of livestock. The increased marketing of hogs from the prairie region is perhaps one of the reasons why the minister has announced this reduction in hog prices. Without an over-all, comprehensive policy for agriculture I am afraid this may be but a forerunner of additional and drastic announcements by the minister which will mean a further deterioration in the position of agriculture.