

*Farm Prices*

ture and by other parts of our national life.

One of the great difficulties facing agriculture is the fact that when the farmer wants to sell something, somebody else sets the price. That is one of the complaints that was made when I was a boy on the farm, and it is still being made. The law of supply and demand has been allowed to operate with respect to agriculture, but in scarcely no other type of activity in Canada has the law of supply and demand worked unhindered, unprevented and untrammelled. While somebody else sets the price for what the farmer has to sell, somebody also sets the price of what he has to buy. In between those two influences and those two factors the farmer attempts to make his plans, attempts to carry on and do his part in the national life of this dominion.

The farming population of our dominion is one of a few sections of our national economy that is not able to make its plans having regard to the long-range view of the industry. I ask you what industry there is that could survive if it were not able to plan any farther ahead with respect to prices and markets than agriculture. That is what is asked and that is what is done by the farmers of the Dominion of Canada year upon year and decade upon decade.

There are those who are not familiar with farming problems who will say from time to time, "Why should not the farmer have his prices controlled in the war period?" I am not going to go into a discussion with respect to that at the moment, but there is one cardinal factor which always remains in the farmer's mind. In time of peace the farmer has to assume more than a fair share of a lower demand for his products which operates upon the price level. In time of peace the farmer is largely in a depressed condition. In time of war there is a demand for agricultural products, but with man-power at a premium the result is that prices are allowed to rise. In between the depressed period of peace and the more buoyant period of war, provided prices are allowed to fluctuate in an ordinary way, the farmer finds himself on a level which is more in line with the general level than at the present time.

The difficulty we have in this war is that when the basic prices were set the prices of farm commodities were out of line with the price levels of other commodities. In many instances the wartime prices and trade board set prices which actually meant a freezing of a set of unequal circumstances and inequalities. I want to say one thing. We should never again allow agriculture to get into the condition in which it was in the last world-wide depression, when farm income was

depressed, I am told, to fifty-five per cent of what it was previously, while at the same time investment income and income from other industries showed no such drop. I think that it is generally accepted that farm prices are always the first to fall and always the last to recover.

There is a problem in connection with farm purchasing power which the government through this legislation must endeavour to meet.

Production on the farm presents other difficulties. Successful production requires planning ahead. The average farmer wants to know ahead of time what markets are going to be available for his products and what prices are going to be for particular farm products. But he is not in that position to-day and has not been up to the present time, and considerable criticism has long been expressed by the farmer over that uncertainty that faces him. The result is that the average farmer who is engaged in mixed farming goes in for one thing this year, and then goes out of it and into other products the next year. It involves considerable cost in changing over from one type of production to another, and this uncertainty which the average farmer feels is reflected by farmers generally throughout the country. I hope that this legislation may have a part in remedying that situation. Undoubtedly this in-and-out-policy of going into one line of production one year, and then out of that and into some other the next year, ought to be replaced by proper planning, and this legislation if it is properly administered can go a long way towards helping the farmer in that respect. The farmer ought to be able to engage in that branch of agriculture in which he wants to engage, instead of being forced to depend upon the uncertainties of the laws of supply and demand to determine what line of production he shall go into this year, and what line next year. He ought to be assured of a market and of reasonable prices for his products so that he can make his plans a long time ahead.

The minister made some reference this morning to the fluctuation of farm prices. It is an old question. No other industry under the sun has suffered so much from the fluctuation of prices as has agriculture. I remember very well that in 1919, on a nine-acre field on our own farm, we took off ninety-nine bushels of cleaned sweet clover, and for that ninety-nine bushels of sweet clover produced on a nine-acre field we took in exactly \$2,475 in cash. The demand for sweet clover seed was so great at that time that we had a local market for the whole ninety-nine bushels. We