

Agricultural Products Board

When we were discussing the resolution preceding the bill the position of the members of the C.C.F. group was that we supported the bill; we are pleased to give the Minister of Agriculture (Mr. Gardiner) another board if he thinks he needs it. At that time, however, we said—as we have said in this house in the past—that in this measure a formula should be provided for the establishment of floor prices.

In the debate the minister said the policy of the government in establishing floor prices was to establish them on the basis of the same price-cost relationship that prevailed for agricultural products in the years 1943 to 1945. As reported at page 997 of *Hansard*, in reply to a question asked by the hon. member for Acadia (Mr. Quelch), the Minister of Agriculture went on to attempt to demonstrate to us how the government's formula had applied to the dairy industry. The minister took the present prices of milk and said that the price today is higher than the price based on the formula. He made the same statement with regard to cheese. He said the present price is higher than the price would be based on the 1943-45 price-cost relationship. As reported at page 991 of *Hansard* the minister made this admission:

Then, coming to butter the figures are 100 and 152. That is the low one. And when some say that butter is one of the lowest priced foods in Canada today, they are perfectly right. Taking 100 as the basis for 1943-45, the index for butter is 152.

The minister had already, prior to that, stated that the cost index today was 160. In that statement the minister admitted that the government's legislation does not provide a floor price based on parity with the same price-cost relationship as that which prevailed from 1943 to 1945. There is under milk no floor price established by this government. There is no floor price under cheese. The minister's argument therefore has no bearing when he gives us these prevailing prices for milk and cheese. The one thing under which the government has a floor price is butter; and the minister admitted that the floor price is below his own formula and that butter is one of the low priced commodities in Canada today.

There are three farm commodities today under which support prices are provided by the government. The first I have mentioned, namely butter. The minister himself says that butter prices are low and that the formula is not being applied to butter because the price is lower than the price-cost relationship, based on 1943-1945.

The government has a floor price under eggs of 38 cents a dozen for grade A large at Montreal. Taking 1943-1945 as 100, the minister said the farmers' cost of production

index today is 160. In 1943-1945 the prices of eggs varied from a low of 34 cents a dozen in April 1943 to a high of 48 cents a dozen in the winter of 1944-45. I have worked out the average price for eggs in that three-year period and, on the statistics I obtained from the Department of Agriculture, I get an average egg price in 1943-45 of 38 cents a dozen. The floor price today is exactly the same as that which prevailed in 1943-45, yet the cost of production, on the basis of the minister's own statement, has gone up 60 per cent.

If the minister had a formula written into legislation the floor price under eggs should be not less than 60 cents a dozen for grade A large. That is what is wrong with the minister's legislation. The minister says there is a formula, but there is no formula. He says: Oh, we make checks and we go over the statistics. But the minister has not applied to the price of eggs a parity floor based on his own suggested formula of the price-cost relationship that prevailed in 1943-45. Because of the fact that there is not an adequate floor, we find farmers going into and out of the production of eggs periodically, with the result that sometimes there is a high price for eggs and sometimes the price for eggs is extremely low. On perusing the *Saskatoon Star-Phoenix* I noticed that in one morning—I believe it was about two weeks ago—in Saskatoon the price of eggs to the producer dropped 14 cents a dozen; it dropped 6 cents at one stage and 8 cents at another. How can any producer operate with any degree of certainty as to what his return for eggs will be when he finds the price of eggs dropping 14 cents in one morning? I think the floor price for eggs should be raised. I believe that a higher floor price would encourage production, would to a large extent iron out the peak in egg prices, and that as a result there would be a more stable price to the consumer and to the producer.

The hon. member for Selkirk (Mr. Bryce) has, during this session, gone over the serious drop in the price of hogs that has taken place in Canada during the last few months. In the figures he placed on *Hansard* at page 912, he pointed out that at Winnipeg in July hogs were an average of \$37.75 a hundredweight—that was for grade A hogs, I believe—and that the price had dropped to \$28 in the last week of October. Since the last week of October the price of hogs has taken another drop. On December 3 the price at Winnipeg was \$26.50 a hundredweight. In other words, from July until early December the price of hogs to the farmer dropped by 30 per cent. That is not