

*Supply—Agriculture*

of storage available are factors to be taken into consideration in setting the support price. There are probably a dozen different factors which you have to consider in arriving at the level of support which you provide. But as I say, our effort throughout is to provide in every case as high a support price as we can possibly provide, at the same time preventing a unmanageable surplus of the commodity building up.

**Mr. Argue:** Mr. Chairman, I have a few brief general remarks to make on this item having to do with the Agricultural Stabilization Act. The legislation under which the board operates was passed in this House of Commons on January 25, 1958. It was heralded at that time by the Conservative party and by some farm organizations as being the type of legislation they had been wishing to obtain for many years. They said that at long last they had written into this act a formula which would put a basic minimum floor price under agricultural commodities.

This is not the position taken by the farm organizations today. They realize that this act does not provide a basic minimum floor price below which products cannot fall. This 80 per cent formula which was written into the act in clear English, which I believe any student of the English language would say that if the act were carried out would give producers 80 per cent of a base price on the commodity as a basic floor, is not being followed at this time.

I am not going to argue, and I am not arguing, in favour of large surpluses of eggs, pork, or any other commodity being maintained on an indefinite basis. If there are large surpluses of these products on hand from time to time, then action must be taken to move them into consumption channels either at home or abroad. The minister has said that the old support prices of the former administration, or that kind of method of support, was the thing that led to increasing storage of many agricultural commodities and that the way to take care of this surplus production was to bring in a method of deficiency payments.

I do not believe for one moment that it is the method which has anything to do with the question of the amount that farmers are producing. I think farmers are intelligent enough to know that it is just a question of names; whether the method be called a deficiency payment or a support price makes no difference. What in fact matters is the return to the producer on the grades and the quantities which the farmer has to sell. So it is not a question of technique; it is not a question of a deficiency payment being the best kind of technique; it is that under the

deficiency payment technique the government has established a policy which pays the producers of this country less for their products than they were led to believe would be the results of this legislation. In other words, in my opinion this act as enforced today is proving to be a great hoax as compared with the act which was passed in this house in January, 1958, and what was said about it at that time.

The minister has said that bringing down the deficiency payment on pork has resulted in a decrease in pork production of 16 per cent. The only reason producers of pork will restrict production by 16 per cent is because they feel they are going to get less.

**Mr. Benidickson:** They sold out at panic prices.

**Mr. Argue:** Yes, I am wondering about that. I am wondering who made the killing on this type of technique which the government used. However, the producers have reduced production by 16 per cent and the government's deficiency payment technique brings this about precisely because the payments which are being made and which will be made are less than would be paid under a basic support offer to purchase. The minister's own words make this very clear, because he has said that under this particular type of so-called support, Saskatchewan, for example, if I have the figures right, would receive \$1.90 a hundred. I do not wish to quote the minister incorrectly, and if I do so it is by inadvertence. Under the other type, they would receive \$1.82. That amount of money has been lost to them and I say it has literally been stolen from them and that they have been deprived of something they were told would be theirs under the act.

The government has used its so-called deficiency payments technique, not to provide farmers with a support price under the act but to force the market price downwards—allow it to go downwards—to the point at which the producers have been deprived of something which they felt was rightly theirs under the act.

I have discussed in this house with the former minister of agriculture the type of support prices he used. His offer to purchase was, in general, an offer to purchase from the trade and the price was not always paid to the producers. But I can say—and I say this very frankly—that the percentage of farmers who lost money under the former method is far less than the percentage of farmers who are losing money under this method. This is not using a deficiency payments technique as it was known to us. This is a cold, callous, deliberate attempt to tear