

Supply—Agriculture

Mr. McIlraith: I think it proves the opposite.

Mr. Harkness: And he did not understand that we had used them for the last year and a half quite freely.

Mr. McIlraith: In respect to hogs.

Mr. Harkness: I might say that this misconception is shared by quite a number of editorial writers. There is an editorial in the *Ottawa Citizen* for April 6 talking about the floor on hogs, and so forth, and it says, amongst other things:

Under a support price, farmers know in advance the minimum return they can expect and can plan their program accordingly. If the floors are attractive, they become a powerful incentive to production. Under the deficiency payments scheme they don't know where they stand until after the product has been marketed—

Well, this is completely incorrect as regards deficiency payment for hogs. We have announced a definite floor price and we are going to use the method of deficiency payments to maintain that price rather than the method of purchase. As I said, the writer of this editorial just does not understand the situation and what is meant by a deficiency payment, as properly used in this sense.

We have the same thing in the *Financial Post* of April 4, 1959. In an editorial dealing with the change in the method of supporting the price of hogs, the writer complains bitterly over the Minister of Agriculture practising discrimination and cutting out the big farmer and integrated operator, thus making them first and second class farmers. But it is clear that the situation is not understood. The article ends up by saying:

Surplus pork stocks in storage, already nearly 200 per cent higher than a year ago, are bound to increase and so will the marketing headache for the government.

The whole idea of this change in operation is that the government will not buy pork, and will not therefore have any marketing headaches. The marketing will be in the hands of the normal trade, where I presume the editor of the *Financial Post* would like to see it, because they are always saying that the free play of the market should determine the price. That is what the situation will be when the new plan goes into effect. We will not be doing any marketing of pork at all. We will pay the farmer the difference between what he gets in the market place and the price support announced.

Mr. Argue: Would the Minister of Agriculture permit a question to clarify the policy of the government? Has the department yet decided the number of hogs per farm on which a deficiency payment could be made?

In other words, what will be the ceiling in a year, or whatever the period might be?

Mr. Harkness: No, Mr. Chairman. As I said when I made this announcement, I anticipated it would take a few months for us to gather the data necessary to make the determination in regard to that matter and also to be able to devise a system which would be effective in bringing about the result which we have in mind.

Mr. Argue: The ceiling is very important.

Mr. Harkness: I must apologize to members of the committee for having taken so much of their time. My excuse is that after some four days of comments by other members there has really been quite a lot to reply to.

Mr. Milligan: Mr. Chairman, I appreciate the opportunity of making a few remarks in connection with agriculture and to express my thoughts as a farmer myself. What I have to say today will be in connection with agriculture as I see the problem facing us right across Canada. I do not think we can divide agricultural problems between east and west or any other way, because I feel that anything which is done for anyone in western Canada, in the maritimes or in Ontario assists everyone connected with agriculture. I think we all realize today that farming always has been a low income, high cost, high risk industry. I think the Minister of Agriculture has a very difficult task particularly at this time, because he has accepted the position as Minister of Agriculture at a period when agricultural incomes are at a relatively low level.

I am certainly very proud to hear the minister say that 1958 was the highest income year for agriculture since 1953. I feel that it is due to the efforts he has put forth in that connection. I do not want to leave any misinterpretation in hon. members' minds or lead anybody to think that agriculture has no problems and we are really in a very prosperous position in saying that 1958 was a very high income year. But it certainly is an indication of the efforts of the minister and the government and shows us what they are trying to do to bring agriculture back into its proper position as compared with other industries. It is going to take a number of years to do this.

We have had a lot of criticism from other groups, particularly the consumer groups, who do not realize the position agriculture is in and feel that we are increasing the cost of living. Those engaged in industry realize the picture of the manufacturing industry, which is producing through 500,000 manufacturing plants without any control over them as to their output related to the ability of the market to absorb, and I think urban