

*Supply—Agriculture*

possibly get for him over a period of time. To maintain an incentive price which causes a very large production, much more than can be marketed, does not help the farmer from the long term point of view. As a matter of fact, this creates a situation in which the farmer is going to take a very severe loss. The best way of stabilizing the farmers' income and maintaining a reasonable income for them in connection with any particular product over a period of time is to ensure that the production of that product is not greater than the amount we can market. Once we get into a position where production is considerably greater than the amount we can market then eventually the farmer is going to have to take a severe cut in price at some time and he will suffer accordingly.

In order to avoid a situation of that sort we changed the method of support for hogs. As I have indicated, and contrary to what the hon. member has been saying, the prices of hogs have not dropped very much below the support levels. He said that in western Canada they did drop to low levels. Actually in western Canada the average prices received for hogs in the first three months of this year were less than the differential which had existed under the old method of support by purchase, as compared with prices in eastern Canada. Had deficiency payments been made at the end of April the amount which would have been received by Manitoba and Saskatchewan hog producers would have been more on the national average basis than on the regional average basis. If the regional average basis had been in effect Manitoba would have received a payment of \$1.97 a hundred and Saskatchewan \$1.82 a hundred, whereas on a national basis they would have received a payment of \$2.10 a hundred. In other words, the idea which the hon. member apparently had that prices in western Canada fell away lower than they did in eastern Canada is just not correct.

*(Translation):*

**Mr. Boulanger:** The Minister of Agriculture knows very well how to dodge our questions. He quoted some figures which had nothing to do with my question. The point I wanted to make, and I did mention it, was that the Agricultural Stabilization Act which was passed in 1958 did not tend to protect farmers' revenue, but to put a stop to surpluses.

I have here a list of prices which I received from the Minister of Agriculture. I mentioned before that the price of bacon from 1947 to 1956 inclusive, was \$27.16 per 100 pounds, while from 1957 to 1959, that price had fallen to \$26.19. However, as I said

earlier, production costs had increased, whereas prices have gone down. And people try to make our farmers believe that they are protected by our passing a law on farm prices support.

That is the point I wanted to make; but, as usual, when I submit some arguments which he cannot refute, the minister circumvents the question.

*(Text):*

**Mr. Harkness:** I must say, with all respect, that the hon. member never brings forward an argument that I cannot contradict. He says he is asking a question when, actually, he is making a statement which is, in most cases, not supported by the facts. He stated the stabilization act was not passed with the idea of helping farmers. Nothing could be farther from the truth. I think there is nobody, probably even in this chamber, who believes that statement. The stabilization act was passed with the idea of improving the general income position of farmers. It has proved extremely beneficial in that regard.

At one time the hon. member was complaining about the amount of money we had paid to farmers under the stabilization act. Last year we paid in the neighbourhood of \$57 million to farmers under this act in order to support the prices of agricultural products. The hon. member was complaining about the amount of money we were spending—

**Mr. Martin (Essex East):** Oh, no.

**Mr. Harkness:** Oh, yes.

**Mr. Martin (Essex East):** On a point of order, Mr. Chairman; I remember what the hon. gentleman said. What he said was that he was sorry more of that money did not go to the farmers; that is what he was complaining about.

**Mr. Harkness:** As a matter of fact all the benefit of the \$57 million went to the farmers. Actually the farmers got the benefit of at least two or three times that amount. So far as dairy products alone are concerned, for example, in the calendar year 1958 we made expenditures to support dairy products in the neighbourhood of \$10 million or \$12 million. The prices which the farmers received for their dairy products were at least \$90 million to \$100 million more than they would have received had this support not been in operation. In other words, the actual amount of money which is spent under the stabilization act is no measure of the value of the act to the farmers so far as an increase in income is concerned and the case of the dairy farmers is an outstanding example of that. The world price of dairy products is about half what it is in Canada.