

Supply—Agriculture

deficiency payments instead of by purchase, the hon. member said:

Mr. Speaker, the announcement by the Minister of Agriculture with regard to hog prices is most disappointing.

He went on to give quite a blast about this. Here, I have a few clippings from the newspapers which relate to this program. Here is one from the *Moose Jaw Times-Herald* which says, "Gleave Happy About Change". He is the president of the farmers' union of Saskatchewan. The report goes on to say that he commends the government for putting this program into effect. Here is another one from the *Star-Phoenix* which says, "Deficiency Payments for Hogs Good Step". The article is written by Professor Van Vliet, the head of the department of farm management at the University of Saskatchewan. Here is one from the *Star-Phoenix* of March 24 which says, "SFU Lauds Hog Price Decision". This shows how much the hon. member for Assiniboia appreciated what was being done.

Mr. McIlraith: Perhaps the announcement was not very clear.

Mr. Argue: It was a grave mistake. I wonder if I might ask the minister a question? Has he seen the comment of J. H. Wesson on this question?

Mr. Harkness: Yes, Mr. Chairman, I saw the comment made by Mr. Wesson and he is labouring under the same lack of knowledge as to just what deficiency payments are and just what they do as some other hon. members seem to be, as well as two or three editorial writers whom I shall mention.

At page 2133 of *Hansard* again the Leader of the Opposition said with reference to this program:

They have now taken steps, in their wisdom, to correct that situation by introducing a new principle in respect of this product, that of deficiency payments. In that respect, Mr. Speaker, we on this side get some satisfaction out of the fact that the government has adopted the policy put forward in our national convention resolution, where we advocated deficiency payments when required.

The Leader of the Opposition is under the delusion that this is a new policy, and it is not a policy at all. Deficiency payments are one method, they are not a policy, of maintaining floor prices; that is what deficiency payments are. The so-called deficiency payments for which the western farmers asked are not deficiency payments, they are retroactive flat payments.

Mr. Argue: To maintain a floor.

Mr. Harkness: But they are not, properly speaking, deficiency payments. One of the

[Mr. Harkness.]

reasons I refer to this is because people continually refer to these as deficiency payments and because there is confusion as to how they work.

Mr. Argue: Only on the government side of the house.

Mr. Harkness: As I say, the Leader of the Opposition was talking about this as though it were a new policy. I should like to point out that so far as we are concerned we have been using deficiency payments practically ever since we have been in power. We have been using deficiency payments to support the price of wool. We have just completed the sending out of the cheques to take care of a deficiency payment of 28 cents a pound on all the wool purchased in this country. We have been using deficiency payments to support the price of soybeans and, last year, to support the price of peaches. We will use them, if necessary, to support the price of Ontario wheat. In other words, deficiency payments are not a new thing, as the Leader of the Opposition seemed to think. We have been using them ever since we have been carrying on a support price program.

I should like to make it clear that deficiency payments, properly speaking, are one method only, just a method, of maintaining a predetermined floor price. When the stabilization act was under discussion I went over this time after time and I thought I made the thing very clear. I said there were three general methods, and they are provided for in the act, by which support prices for agricultural commodities could be provided. One method is by purchase, one by deficiency payments, and the third is flat payments, or any other method of that kind, which may be determined. We used these flat payments for British Columbia tomatoes last year.

Mr. McIlraith: Might I be permitted to ask the hon. minister a question at this point in his remarks? In referring to the statement of the Leader of the Opposition which he has just quoted from page 2133 of *Hansard*, does he not attach any importance to the words "in respect of this product"?

Mr. Harkness: The only importance I attach to that is that the Leader of the Opposition is making it clear he is referring to hogs.

Mr. McIlraith: That is right.

Mr. Harkness: Yes; he is making it clear he is referring to hogs.

Mr. McIlraith: But what is the principle in relation to hogs?

Mr. Harkness: What I read indicates the fact that he did not understand what deficiency payments are.