

Agricultural Prices Support Act

are going to get for their products in the years ahead. Floor prices should be put under these products which would be effective for more than one year.

All we have been doing under our Agricultural Prices Support Act up to the moment is waiting until some agricultural product has reached a level where the farmers are raising such a row the government has to do something about it. Then, floor prices are set. We do not set floor prices at the level the minister suggested he thought those prices should be set in the statement he read to the house today. He stated that, in setting agricultural prices under the Agricultural Prices Support Act, he would take into consideration the fact that for ten years in the thirties our farmers had accepted prices which were below the cost of production. He stated that he would take into consideration the mortgage indebtedness of the farmers, the deplorable condition of their equipment, and the prices which farmers had received during the first three years of the war when they had accepted prices which were below those which other sectors of our economy were receiving for their labour and for their products which they had to sell.

Mr. Gardiner: The last three years of the war, not the first.

Mr. Wright: During the first three years of the war, from 1939 to 1942, the farmers were still receiving prices which were away below the cost of production. Wheat, for instance, was selling at 60 cents a bushel, and less than that on the farm, until 1943, I believe it was, before the price was raised. The minister stated that consideration would be given to the farmer's cost of production.

I am sure that in setting the floor price for eggs at 38 cents a dozen the minister has not taken these things into consideration; and in setting the price that was set for potatoes down in Prince Edward Island and New Brunswick a year ago, I do not think that all of those factors were taken into consideration, or the floor prices would have been better than they were for those products. I know that there are difficulties. I know that, if floor prices are set too high, overproduction may result and surpluses may accumulate in this country. But I am convinced that, along with floor prices on products which are especially for Canadian consumption and Canadian marketing, there must be some regulation of production. I think the farmers can do that themselves through their Agricultural Products Act. But when it comes to the surplus of basic products which go into the export market, I think the government must and should accept responsibility for them. If they do not, and if we allow agricultural prices to

drop even 25 per cent in this country, I am convinced that the unemployment problem will be multiplied three or four times. Instead of having 400,000 people out of employment, we shall have a million people out of employment in Canada.

Last year, in 1949, the farmers of this country spent over \$200 million for new equipment. I know that in my own constituency alone the agricultural implement dealers figure that last year they sold \$8 million worth of agricultural equipment. A drop in the price of agricultural products will mean that there will be a drop of from 50 per cent to 75 per cent in the sales of agricultural machinery. Make no mistake about it, our farmers today have some equipment on their farms; and if prices drop they can get along with simply buying repairs for that machinery and will practically stop buying new equipment. If that event takes place, those in eastern Canada here will find that their unemployment problem will be something that will remind them of the 1930's again.

I would therefore say to the government that, in renewing this Agricultural Products Act, they should make it permanent. As a matter of fact, if we could have moved an amendment that would have been in order we would have moved one which would have made it a permanent piece of the legislation of this country under which the government could set up export boards for the surplus agricultural products. I would urge the government that, instead of renewing it for one year, they should bring in permanent legislation in this country to take care of our export surpluses.

With respect to the Agricultural Prices Support Act, I hope the minister will give us his interpretation of certain clauses of this act. Section 9 (2) states:

In prescribing prices under paragraphs (a) and (c) of subsection one of this section, the board shall endeavour to ensure adequate and stable returns for agriculture by promoting orderly adjustment from war to peace conditions and shall endeavour to secure a fair relationship between the returns from agriculture and those from other occupations.

I think the least that the government can do in renewing this act is to place in it some clause by means of which the farming industry of this country will know the formula or the method the government is going to use in determining those prices. When the resolution is in committee I hope the minister will give us that information; because unless we have that information we are going to find that those engaged in the agricultural industry of this country are not going to be satisfied by the action of the government in