

pay taxes on capital gains but the farmer does. Nowadays, when farmers are making a few dollars they have to pay capital gains taxes when they retire.

• (1610)

Mr. Chairman, those who in the past few days spoke on appropriations for the Department of Agriculture, especially on feed grains, were mostly hon. members from western Canada. Every single one said that there was not enough or too much production in the past and that exports had not been sufficient.

Mr. Chairman, I think it is very important to decide whether Canada is producing enough or not and whether western farmers are being encouraged to produce or not. However, it is more important to find out whether prices for grain and processed grain purchased by Quebec farmers will continue to spiral up as they do now so that eastern producers will not be able to make profits this year, contrarily to what is said in *La Terre de Chez-Nous*.

If in the course of the 1970-71 crop year western producers were paid not to produce, it certainly is not the fault of the eastern farmers. The federal government should provide a great deal more help for transportation of feed grain if it wants the farmer to be able to engage in a rewarding occupation.

In the January 1973 issue of *Le Coopérateur agricole*, I was reading about a comparative study on the prices of grain and certain ingredients which make up feeds. They study indicated that almost all classes of grain had registered raises in price per ton of the order of at least 35 percent.

Soy-bean cake, which was selling for \$104 a ton in December 1971, is at \$210 a ton right now, for a considerable jump in price in a 12-month period. Linseed cake, for which a price of \$102 a ton was quoted in December 1971, was up to \$130 a ton in December 1972. Corn sold for \$50 a ton in 1971; it was up to \$70 a ton in December 1972.

In eastern Canada, gluten meal with 28 per cent protein content sold for \$72 a ton in December 1971 and \$86 a ton in December 1972. Wheat was \$60 a ton in December 1971 and \$80 a ton in December 1972. Bran was priced at \$56 a ton in 1971 and \$90 a ton in 1972. "Gru" sold for \$58 a ton in 1971 and \$92 a ton in 1972. The price of barley was \$50 a ton in 1971 and \$73 a ton in 1972. Oat sold for \$50 a ton in 1971 and \$83 a ton in December 1972. Draff was priced at \$68 a ton in 1971 and \$86 in December 1972.

Mr. Chairman, those are the prices in eastern Canada, though they could vary between areas according to local market conditions and especially to transportation cost.

Besides UPA economist François Dagenais recently called my attention to the fact that hog raisers in the province of Quebec have recently suffered losses due to the increase in feed price. Because of this, 2,054,507 hogs were slaughtered in Quebec in 1971 while, in 1972, the number was 2,029,002. Thus, the difference in production cost in eastern Canada compared with the west is \$4.20 a unit. Hog producers in Quebec have suffered fantastic losses when one compares their income with that of the producers in the west.

The price paid for feed grains and proteins is the main item in the cost of production for hogs, poultry and cattle.

Supply

Feed grain consumption in Quebec has spiralled these last few years, especially over the last two years. As a matter of fact, in 1970, consumption of feed grains was about 561,875 tons of meal mixtures, and in 1971, of 623,875 tons; and in 1972, the Union des producteurs agricoles estimates that it will reach 783,445 tons. As we know very well, the cost of meal mixtures has increased by 30, 40 or 50 per cent in some cases, especially as concerns proteins, and yet I am told that the farmers have an easy life, and lots of money, and so on, because milk sells quite well!

I suggest that the milk producers will not earn enough this year, since they have to pay too much for the services they need and for feed grains.

Besides, as concerns the 1973 dairy policy established on January 18 last, the Canadian Dairy Producers' Federation has provided us with the following information, and I quote:

According to the official figures available, we know that:

(1) The index of farm production costs for the third quarter of 1972 exceeds by 4 per cent that for the same quarter in 1971. However, let us note that in the meantime the cost for new buildings increased by 11.2 per cent and the cost of farm labour, by 7 per cent.

Moreover, that index still does not show the increases in feed grain costs registered mainly during the third quarter of 1972.

(2) The wholesale price for feed grains, as reported in the December 1972 issue of *Grain Facts*, published by the Canadian Livestock Feed Board, has jumped since last year—

(3) Farm wages

As we indicated before, the cost of farm labour apparently increased by 7 per cent in Canada. Again, these are the last reports available.

The cost of manpower and feed grains, as we all know, accounts for a considerable share in the overall expenses of dairy production. In 1973, the notable increase in power rates and local taxes will only aggravate the situation.

But, once again, it is still the cost of grains and services which boosts the production cost of our eastern farmers.

As long as the government fails to take appropriate measures to stabilize the cost of feed grains at a reasonable level as usual Quebec farmers will depend on the federal policies for eastern Canada.

Recently, the Quebec Minister of Agriculture paid for two large pages of a newspaper to boast that eastern farmers "were making money"; but I say that he was once more politicking on the farmers' back.

In concluding, on behalf of the farmers of the Richmond constituency and eastern Canada, I ask the government and the hon. minister to give careful consideration to the requests from UPA on the question of feed grains so that our Quebec farmers be granted justice as to their production cost and that, some day, we can see the establishment of long term programs in the field of production cost and the sales cost of farm products.

In conclusion I would say how surprised I have been recently to hear the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), former Minister of Agriculture, stating that in 1960-61, the farmers were performing miracles.

I think that the Canadian voters will remember at the time of the next election as they have remembered since then, that in eastern Canada, in 1960-61, when the hon. member was minister, farmers were selling \$4.05 per cwt.