

*Agricultural Products Act*

diversified farming; we should not depend solely on grain growing. Yet, the legislation that has been introduced in this house has killed the little bit of diversification there was in western Canada.

Let me give you four reasons for that. A system of subsidy payments on oats, barley and wheat being used for the feeding of livestock in this country was introduced. No provision was made for those subsidies to be paid when the livestock were being fed this grain on the farm. As a result of that, many farmers in western Canada stopped raising livestock. A system of freight subsidies was introduced, whereby the freight was paid on coarse grains from the head of the lakes to eastern Canada. No provision was made for the payment of a freight subsidy on livestock shipped from western Canada. There was dissatisfaction with both of these measures in western Canada. Many of our farmers stopped raising livestock because of this discrimination against them.

A little over a year ago the ceiling price on coarse grains was removed and they were returned to the speculative market. Immediately, the hog and barley ratio changed and the few people who were intending to get back into hogs at that time immediately got out of them again, with the result that it is doubtful whether we shall be able to meet our bacon contracts this year. Then on top of that we had the income tax, which was the final blow which prevented the farmer from going back into livestock production. Let me quote from the Current Review of Agricultural Conditions in Canada as to just what happened to our production of bacon here in Canada. On page 6 I find the following:

A decrease of 49 per cent in inspected slaughterings of hogs took place in Canada since the record year of 1944. There was a decrease of 68.4 per cent in western Canada and 13.3 per cent in eastern Canada. The origin of inspected slaughterings in Canada in 1944 was 65 per cent western Canada, 35 per cent eastern Canada, while in 1948 only 39 per cent originated in western Canada with 61 per cent of the total slaughterings originating in eastern Canada.

The inspected slaughterings of hogs in Canada for 1949 are estimated at 4.25 million, which is 7 per cent below that of 1948. Total slaughterings for the first five weeks of 1949 are 43.7 below the same period for 1948. Slaughterings in western Canada for this period are less than half the number slaughtered in the first five weeks of 1948.

Mixed agriculture in western Canada is going out. Even in the areas in which it should be continued, we find the people going into grain farming. In northern Saskatchewan, parts of Manitoba and parts of Alberta, which are naturally stock-producing areas, because of the policies of this government we find that a great number of those areas are into grain growing in competition with the drier areas in those provinces, and it is not good

policy. It is not good policy for the provinces concerned and it is not good policy for the Dominion of Canada.

There is no place where pork and pork products can be produced more cheaply than on the farm where the grain is grown. Yet by the policies of this government we are paying subsidies on the freight on grain to move it to eastern Canada in order to feed hogs down here. It does not make economic sense to me nor does it make economic sense to a great many farmers in western Canada.

As I said before, in my opinion this legislation is the final act in the sabotage of the orderly marketing scheme developed during the war. The reduced amount that is being carried forward to take care of the situation is an indication that next year we shall have no such act at all. For the minister to get up here and tell us that this is compensating the farmers for the losses which they may have taken, and did take, during certain periods at the beginning of the war and again later since the war when the government removed the ceilings on the things that the farmers had to buy and allowed prices to go up while maintaining ceilings on the things that they had to sell, is something I cannot understand.

The minister talked a great deal about this increased net income which we as farmers have this year. But I would point out that a great deal of that increase is due to payments which are being made on crops grown in other years. That is where a great percentage of this increase has come from. As a matter of fact, our net farm income has increased little since 1944.

**Mr. Gardiner:** Only about one-third of it came from that source.

**Mr. Wright:** This year it is increased because of the payments being made from other years. But in 1944 our net farm income in this country was \$1,213 million; in 1945 it was \$971 million; in 1946, \$1,130 million; in 1947, \$1,235 million; and this year it is \$1,743 million.

**Mr. Gardiner:** Up \$500 million.

**Mr. Wright:** Yes, up approximately \$500 million. But as I have stated, a large share of it is represented by payments that were due from crops grown in other years or crops marketed this year that were grown in other years. Along with that increase, there has been a tremendous increase in farm expenses. In 1939, when the war started, our farm expenses were \$501 million. This year they are \$1,092 million, twice what they were when the war started.

**Mr. Gardiner:** But that is already taken care of in the difference between the net and the gross.