

Supply—Agriculture

prices. This has resulted from the higher prices for hogs over the past few years which encouraged some producers to increase their production with the result that for the past four or five months we have been marketing more hogs than there is a demand for pork products. Production, however, has been levelling off and it is expected that hog prices should firm up.

I just cannot see the relationship between that reply and the trend to import pork products, with reduced prices to our own farmers.

The other point I wish to take is with respect to the reduction in the premium on grade A hog carcasses from \$3 to \$2. I have received a resolution passed by the South Simcoe Hog Producers Association expressing very strong opposition to the reduction of the quality premium from \$3 to \$2. In their letter to me they say:

We realize that there have to be reductions made in the costs of government operations, but the producers of high quality food feel that they are being unduly discriminated against in this proposed action of reducing the quality premium.

Over the years farmers have been trying to improve the grade of their hogs both from a breeding standpoint and from the standpoint of competing with Denmark. Britain was one of our markets which was very fond of lean pork. It must be remembered that it is much easier to produce a grade B hog than a grade A hog.

I have a letter here from a man in Hastings-Frontenac, which spells out the thoughts of quite a few farmers on this matter. It reads:

I am just writing a letter to explain my feelings on the government's plan to cut back the premium on grade A hogs from \$3 to \$2. The reason given for this action is the government's economy measure.

This amount being paid is peanuts to the government, but means a lot to farmers working on a slim margin of profit. I read a column in the Belleville paper last night about the amount of money being spent on an investigation to find out the status of the Canadian woman. This amount was half as much again as the money being spent in all of Canada on the premium of hogs.

In Hastings county last year our production of hogs dropped to 21,000. We were the third highest county in Ontario in the highest percentage of grade A's with 51 per cent. The Ontario average is 44 per cent. A lean pork product is what the consumer is demanding and they want it cheap.

I feel that the Ontario farmer is already paying more than his share to maintain a stable economy, and one thing for sure it is we who are underwriting much of the cost of the government's cheap food policy.

I attended an agriculture college for three years trying to learn how to farm efficiently. I came back home to the farm, expanded by constructing new buildings, and purchasing more land to "stay

in business," so the experts told me. Let me say that last year I didn't even make my interest on investment let alone a labour income. I market between 800 to 1,000 hogs annually and obtain about 70 per cent grade A's. If it were not for the premium of \$3 at present I could not afford to produce as many A hogs, and last year I bought some of the best breeding stock in Canada.

In other words, I could not stay in business by producing A hogs without it, because I can produce B hogs cheaper and easier. Is this what the consumer wants?

The reduction of premium means between \$600 or \$700 a year to me, and how many people in Canada are going to get a wage cut by this amount this year?

This premium was introduced to try to give the farmer an incentive to produce A hogs. By looking at grade improvement figures it has done just that. If they lower it again now they will lose all they gained.

Another thing few people realize is that there are about half the number of farmers shipping hogs today as there were 12 years ago. The trend is going to stay this way. Because they are operating bigger, with more investment and better records, they know what it costs to produce A or B pork better than they did a few years ago. Unless they are paid to produce what the consumer demands at the present price structure someone has to pay it, or they won't be getting it.

Just one other point I want to make is—only .8 per cent of the Canadian farmer's income is derived from the public treasury. In the U.S. this figure is close to seven times higher at 5.4 per cent. These figures are from the Hedlin-Menzies report on farm income. Don't you think that the Canadian farmer is already doing enough to fight inflation?

These were the few remarks I wished to make, Mr. Chairman, and I hope the Minister of Agriculture will give some consideration to them in an endeavour to improve agriculture in Canada.

Mr. Fane: Mr. Chairman, it is a long time since we have had an opportunity to speak on the subject of agriculture as much as we have done in the last couple of days. The big reason is that last year when the main estimates were before us there was only time for the minister to make a speech, and then the agricultural estimates were withdrawn. In fact I believe time ran out entirely for discussing estimates. This makes one wonder why it is that the government does not provide opportunities for us to discuss agriculture. Are the members of the government scared of what the farmer members of parliament will say, or are they scared to face the farming element of this country? I think that must be the case, Mr. Chairman, for the simple reason that they know that their agricultural program, if they have one, is not worth a darn in assisting agriculture, notwithstanding the wonderful speech that the