

[Text]

in fact acting more as employees of the feed companies, in that the feed company supplied the feed, supplied the hogs, and paid the farmer a flat rate per head. In such cases the payments were not made.

Mr. McKinley: What about cases where the contracting was more or less a glorified way of financing actually, and the hog producer was guaranteed \$2 a hog? In your opinion, would that show him any profit? Could he cover his hydro, bedding, insurance, taxes, mortgage payments, and labour on \$2 a hog? Under this contract he was entitled to a portion of the profits, and I think a large portion of the profits, and at \$19 and \$20 a hundred for hogs as they were, anybody would realize that there were no profits. This farmer's position was jeopardized by the low price of hogs also.

• 1205

Mr. Williams: We have met some of these cases and I may say quite candidly there were very, very wide ranges in it. At no time would I suggest that a farmer can make money at \$2 a hog, but I am also suggesting that a great many farmers did enter into those contracts, and if that was the case, in our view, the view of the Stabilization Board, the price did not affect his returns whatsoever. In other words, the price could go up or down, or do what it pleased.

The problem the Board faced in dealing with these farmers who were guaranteed a percentage of the profits was that the Board was unable to determine in any case to my knowledge how these profits were to be calculated. The contracts said that they were going to have a percentage of the profits, but the farmer had no way of checking whether he would have been due to get a profit or not due to get a profit, due to get anything else or not due to get anything else. You or some other people may have seen contracts that did state this but I have seen a great many of them, and they may have said that the farmer was going to get so much per head plus 20 per cent of the profits or 10 per cent of the profits but at no time did they say how that profit was to be calculated.

Mr. McKinley: A farmer could calculate it himself if he knew the price that was paid for the pigs and how much feed went into them and how much the feed cost. He would know the profit.

Mr. Williams: If he knew that, yes, but they were the feed company's pigs. They were the feed company's pigs, it was the feed company's feed. The farmer did not know the cost of the feed, the farmer did not know the cost of the pigs.

Mr. McKinley: I think generally speaking the farmer does know the cost of the feed and the farmer does know the cost of the pigs and can calculate the profits. In the cases that have been brought to my attention, they did.

Mr. Williams: Certainly, Mr. Chairman, I can assure the Committee on behalf of the Stabilization Board that if there is information of that kind available the Stabilization Board would be only too pleased to review it, but we have had people out in the field visiting all these farms, every one that has been in doubt to the best of my knowledge has been visited, I cannot guarantee that every one has, and this was the kind of information they were sent to get. If that information is available I would be only too pleased to meet with Mr. McKinley and if it can be shown by the farmers that they, in fact, were affected by the low price and the extent to which they were affected, then the Board is more than willing to review it because we have been looking for this information.

[Interpretation]

saient plutôt à titre d'employés des sociétés d'engraissement qui fournissaient la nourriture, les porcs et versaient aux agriculteurs un montant forfaitaire par animal. Dans ce cas les paiements ne sont pas accordés.

M. McKinley: Qu'arrive-t-il dans les cas où l'accord n'est en réalité qu'un accord de financement et que les sociétés garantissent \$2 par porc aux producteurs? Est-ce que cela lui permettrait de faire un bénéfice? Est-ce que \$2 par porc lui permettrait de payer pour l'électricité, la litière, l'assurance, les taxes, les hypothèques et la main-d'œuvre? Ce contrat lui donnait droit à une partie des bénéfices, or à \$19 ou \$20 par quintal de viande de porc, il n'y a pas de bénéfice. Le prix très bas obtenu pour les porcs mettait en danger la situation des agriculteurs.

M. Williams: Nous avons examiné certains de ces cas et nous avons pu constater qu'ils étaient loin de se ressembler tous. Je n'ai jamais dit qu'un agriculteur puisse gagner de l'argent lorsqu'on lui verse \$2 par porc; mais étant donné que de nombreux agriculteurs ont conclu ces accords, l'Office de stabilisation était d'avis que le prix n'influait nullement sur ces bénéfices.

Il était impossible à l'Office de savoir comment calculer ces bénéfices lorsque les sociétés d'engraissement garantissaient un pourcentage des bénéfices aux agriculteurs. Les contrats stipulaient en effet que les agriculteurs toucheraient un pourcentage des bénéfices mais ceux-ci n'avaient aucun moyen de vérifier s'il y avait bénéfice ou non ou si autre chose encore leur était due. J'ai pour ma part, vu bon nombre de contrats de ce genre stipulant diverses conditions et je n'y ai jamais trouvé la mention de comment ces bénéfices seraient calculés.

M. McKinley: Les agriculteurs pouvaient calculer ces bénéfices eux-mêmes sachant le prix versé pour les porcs ainsi que le prix et les quantités de nourriture consommées.

M. Williams: En effet mais ces porcs appartenaient aux sociétés d'engraissement, ainsi d'ailleurs que la nourriture. Donc, l'agriculteur ignorait le prix de la nourriture aussi bien que le prix des porcs.

M. McKinley: Généralement je pense que les agriculteurs connaissent fort bien le prix de la nourriture et celui des porcs et peuvent donc calculer les bénéfices. C'est du moins vrai des cas qui ont été soumis à mon attention.

M. Williams: Si des renseignements de ce genre existent, je puis vous assurer, monsieur le président, au nom de l'Office de stabilisation que nous ne serions que trop heureux de l'examiner; mais nous avons envoyé des agents dans toutes les exploitations où les choses n'étaient pas claires afin d'obtenir des renseignements. Si nous obtenons ces renseignements je serais heureux d'en discuter avec M. McKinley, car s'il y a un moyen de prouver que les agriculteurs ont été touchés par le niveau des prix très bas, l'Office ne serait que trop heureux de réexaminer la question.