

March 7

# Advance Subsidy Bills After Kennedy's Plea To Help Feed Britain

Vital necessity of continuing for another year the Ontario Government's subsidies on cheese, hogs and sugar beets, "in face of the greatest food shortage of modern times," was stressed yesterday in the Legislature by Agriculture Minister Col. T. L. Kennedy when his subsidy bills received second reading. It was imperative, he said, that Ontario farmers should be assisted and encouraged to produce food to the utmost, especially in view of the serious food shortage in Britain.

"In Great Britain," the Minister said, "the food situation is so desperate that the rations allowed the people have had to be reduced drastically, far below even the most critical period of the war. Here in Ontario the farmers have made a magnificent contribution toward meeting the needs of Britain for vital food supplies.

"The other day the head of the British Food Purchasing Commission was in my office making an urgent appeal to the farmers of Ontario to send all the bacon and cheese they could to Britain. He painted a dark picture of the British food situation, especially the shortage of bacon and cheese."

Col. Kennedy recalled that he had pointed out in the House last July that Canada and Ontario "have performed wonders in increasing hog production. Canada's hog production had increased from 3,706,000 in 1939 to 8,863,000 in 1944. Ontario's production had jumped from 1,667,000 to 2,108,000 in the same period.

He explained that the hog subsidy provided in the bill was a subsidy on quality, on Grade A and Grade B-1 hogs, the grades considered suitable for export at present.

That the subsidy had justified its purpose was shown by the increased percentage of Grade A hogs pro-

duced—Grade A up from 36.5 to 39.8, and Grades A and B-1 combined up from 82.9 to 84.2, which was higher than the percentage for the whole of Canada.

"The burden of maintaining a fair proportion of export hogs for the British market has been very largely carried by Ontario," said the Minister. "A further encouraging factor, which has a bearing on the subsidy, is that, while in 1944 10 counties averaged better than 40 per cent of Grade A hogs, in 1945 20 counties were in that category, a definite indication of the trend toward improvement of quality throughout the Province, largely due to the payment of the hog subsidy, introduced as a wartime measure to get bacon for Britain."

While Ontario hog producers were doing a fine job, he said, they still had a long way to go to reach the standard of production that would enable them to compete with countries like Denmark, which consistently produced from 70 to 80 per cent Grade A hogs.

At present Britain would take all the bacon that Ontario could produce. "But if we are to increase the amount we are shipping, we must look to quality as well as quantity in our hog production. If all our hog producers took advantage of the knowledge and information available to them, we could in a very short period of years bring our percentage of Grade A hogs up to that of Denmark. We must look forward to the time when we will have to compete on a quality basis and set our house in order accordingly."

That was why the subsidy had been based on quality, to give an additional premium to the farmer producing Grade A hogs and a smaller premium for Grade B1.

Continuance of the bonus on cheese, also established as a wartime measure, had a similar aim, to increase the quantities that could be sent overseas. Britain needed greater supplies of cheese from Canada than ever before, and cheese producers of Ontario had taken a leading role in meeting their requirements, increasing production from 89 million pounds in 1939 to a peak of 128 million pounds in 1942. Last year's production had exceeded 115 million pounds, with a progressive improvement in quality, until approximately 96 per cent of Ontario cheese was top grade.

## Ontario Leads Canada

Ontario, Col. Kennedy said, far overshadowed the other Provinces in cheese production, with Quebec second and Alberta third.

The result of the subsidy had been to maintain the price of cheese to the producer at a level of 22 cents a pound, exclusive of the Federal Government's premium on quality and the cheese milk subsidy of 20 cents per 100 pounds.

"It is the policy of the Government to maintain that price and not let it go below the ceiling of 22 cents during the period when the Federal Government is taking all our cheese export," Col. Kennedy declared. "In continuing the

bonus on cheese, the Government feels that it is making a necessary contribution toward not only providing food for Britain, but in maintaining the industry on a basis of fair returns to farmers. This will have a highly important bearing on the whole future of agriculture in the Province."

Introducing the Sugar Beet Subsidy Bill for second reading, Col. Kennedy said that the war had brought about a world shortage of sugar of major proportions. The shortage of sugar in 1945, as compared with the world's normal requirements, had reached the staggering total of 2,400,000 long tons.

"In the face of that situation," he said, "and with little or no improvement likely this year, it is essential that we in Canada produce as large a part of our requirements as possible. It is vital that we supply as much as possible of our own needs without drawing too largely upon the world sugar pool." Normally, he said, Canada produced only about 20 per cent of its own requirements.

## Beet Production Up

Col. Kennedy told the House that in Ontario last year there were 18,000 to 20,000 acres in sugar beets, producing about 55 million pounds

of sugar. "This year, according to reports compiled by the field men of the sugar company at Chatham, it is estimated that there is a possibility of 30,000 acres coming under contract, which would mean a 50-per-cent increase in sugar produced in Ontario," he said.

Only one of Ontario's two sugar plants had been able to operate since 1941, the Minister said, because of shortage of sugar beets. This year, if the expected beet acreage materialized, both the Chatham and Wallaceburg plants could operate, although not at full capacity.

Col. Kennedy said labor conditions would have an important effect on production. "It is certain," he pointed out, "that the farm labor situation this year will be worse than it has been in the past two or three years. Last year help was given to the beet growers by the use of prisoners of war, but it is very doubtful if this source of help will be available at all this year."

The prices paid for competing crops subsidized by the Dominion Government, the Minister said, were such that unless beet growers were allowed higher returns they would be unable to obtain required help.

"For these reasons, and in view of the desperate need for more sugar production, the Government had decided that it is necessary to continue the sugar beet subsidy to compensate growers for higher labor costs and enable them to compete in the general farm labor market. In view of increased returns as a result of Federal increases in the price of sugar, however, it is felt that the same subsidy as last year will not be necessary. So it is proposed to set aside half the amount provided last year, a total of \$112,500, instead of \$225,000. This will give producers an average subsidy of 50 cents a ton from the Government and will increase their returns from crops by that amount, with the price increase also aiding the farmer. Last year growers received \$11 a ton. With the new subsidy rate they will receive approximately \$11.50."