

Mr. BLACKMORE: It reads:

The Wartime Food Corporation will be prepared to buy cattle if there is at any time a surplus supply which threatens to depress cattle prices unduly, and after providing a reserve supply for domestic consumption, will export any remaining surplus cattle.

Mr. GARDINER: The old cattle order was the one that was put in at the time the corporation was prepared to buy cattle and send them to the United States; but the basis on which we have been working since the spring of 1943, which was announced, was that we would have a floor price for beef as well as a ceiling price. Before that it had always been a ceiling price only. We said that we would have a floor price as well as a ceiling, and that the government agency would always be prepared to buy beef at the floor price. That is the undertaking which was given, and it has been carried out.

Mr. BLACKMORE: I contend that it has not been carried out in the spirit of the announcement at all. I am now going to read the rest of this letter. The minister sees clearly that if the government is prepared to buy beef only from the packers it leaves the producers at the mercy of the packers.

Mr. GARDINER: It does not do that with hogs.

Mr. BLACKMORE: That is the point; it does not do that with hogs, but it is doing it with cattle and sheep.

Mr. GARDINER: There is only one reason for that in connection with cattle; that is, as a result of the varying floor price instead of the flat floor price we have in connection with hogs.

Mr. BLACKMORE: But surely a varying floor could be applied just as well as a flat floor.

Mr. GARDINER: It cannot.

Mr. BLACKMORE: The minister might explain why. I go on with this letter:

We fed these cows on the understanding that beef was urgently required, and your guarantee that the price would be maintained. The assumption that this beef was in urgent demand appears erroneous and the assumption that you would maintain a price has also proven erroneous to date. We would like to know what we may expect in the way of bonus or compensation inasmuch as these cows should have been sold for not less than 9 cents to be in line with previous prices paid.

That is signed by Smith and Kearn. These gentlemen are reputable stock feeders, reputable ranchers and very conservative men;

[Mr. Gardiner ]

this letter must carry a considerable amount of weight. Now here is the letter from Mr. Pearsall:

Mr. J. S. Smith,  
Smith & Kearn,  
Cardston, Alberta.

Dear Sir,

We have for acknowledgment your letter of February 9 relative to cows which you marketed recently, and which did not return you price anticipated.

We regret that owing to circumstances then prevailing and which we explained previously in our wires, you unfortunately found it necessary to market your cattle at the most difficult time. We further regret that there is no provision to adjust the price to the shipper under such circumstances.

Mr. GARDINER: Is my hon. friend suggesting that \$90 a head is not a good price for old cows? A price of \$7.50 a hundred for a 1,200 pound cow, which is not a big cow, would be about \$90 for a cow that has been used for breeding purposes for some time and then fattened and sold. Is my hon. friend suggesting that that is not a good price?

Mr. BLACKMORE: Is the minister forgetting the fact that those cows were bought for 8½ cents in September?

Mr. GARDINER: Why did he pay that?

Mr. BLACKMORE: Because he counted on the government of Canada playing fair with him.

Mr. GARDINER: He had no reason, under any price levels that were set, to buy those cows at the price stated and think he was going to sell them at higher prices later on. He had no justification whatever for thinking he would be able to sell them for a higher price in January. If he thought he would be able to sell them at a higher price in the latter part of April or May there might have been some justification for it, but not for thinking he could sell them at a higher price in February, under any price level that was set, following the floor suggested from the Calgary meeting.

Mr. BLACKMORE: If the minister will just refer back to the figures he so proudly read a few moments ago, giving prices in the various years, he will see that there was a steady increase commencing with the first year and continuing into 1943. The war is still going on; we have had international food conferences meet and announce that they are going to need almost limitless supplies of food. What man using average intelligence would conceive that the price of beef in the spring of 1944 would be lower than in 1943? There just is not any sense in that idea at all.