

*War Appropriation—Agriculture*

States. The hon. member for Lethbridge asks me how many cattle were shipped into the United States, but as this operation was not performed by an organization under this department, I have not the numbers with me. The fact remains that that policy was found to be one which very rapidly brought about a situation where the purchasers for the corporation were about the only persons who would be on the market to buy cattle, the reason being that they could buy cattle at a higher level than this particular market provided for, and most people naturally wanted to sell at the highest price. The consequence was that the corporation found itself in the position where they were buying the cattle and then turning them on to this market to the extent of its needs, and if they had a surplus it was to be shipped to the United States. My memory is that there was no surplus to ship to the United States, that cattle were not shipped to the United States by the corporation but were purchased for consumption in Canada.

That brings us to the point of realizing that we had reached the period in Canada when we were consuming all the beef that we produced. That was about the middle of 1942. There were certain reasons for that condition developing. As I stated a few moments ago, we had entered into an arrangement with the United States in 1936, which was renewed later, to the effect that we were permitted to ship 193,000 head of cattle into the United States. We also shipped calves and breeding stock into the United States. We were shipping upwards of 300,000 head of cattle into the United States in certain years, prior to the experience of which I am speaking, and during that time we were sending to Britain two or three thousand head of cattle in one year and up to some 40,000 in another year. They were shipped live weight to Britain, but practically all the live weight cattle that we had to ship anywhere went to the United States.

After the declaration of war we undertook to supply Britain with bacon and ham, and yesterday I gave the amounts we have supplied. At this point I should say that I had intended at the beginning of the discussion this afternoon to correct a statement I made last night with regard to the negotiation of a contract with Britain for the marketing of hogs for the next four years. I was under the impression when I came into the house last night that those negotiations had been completed and that we had now a definite programme for four years. But on going into the matter this morning I find that the negotiations are not completed with regard to the last two years. The negotiations are completed with regard to the first two years, and

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there is an undertaking by Britain to take from us at least 500,000,000 pounds of bacon and ham and pork products in each of the years 1944 and 1945 and any additional amount which they require and we are in a position to ship. That is final both with regard to quantities and with regard to price.

Mr. SENN: I understood that that agreement had been in force for some length of time. Has it not?

Mr. GARDINER: No. The agreement has not been in force on that basis for some time. It was in force on the basis of a two-year contract, with at least 900,000,000 pounds to be delivered within the two years. The new understanding which is reached is that the minimum figure for the two years for 1944 and 1945 will be 500,000,000 pounds and that the price will remain the same as the price which was negotiated for 1944. But the present position is that we have not completed the negotiations with regard to quantity and price for the years 1946 and 1947. The British are prepared to enter into a contract with us and we are prepared to enter into a contract with them, but, as I have stated, the negotiations are not at the moment concluded. I wanted to make that correction.

But what I wish to refer to at the moment is that in 1939, after war was declared, we undertook to supply all the bacon and ham that we possibly could to the British market. This we did for two reasons: first, that the British needed it, for they had been cut off from other supplies and later on were cut off from further sources of supply; second, that before this war began we had never had the opportunity, or had never taken advantage of any opportunities we did have, to prove to the British that we could completely supply from Canada, if necessary, their requirements in bacon and ham. With these ideas in mind we entered into a contract for the outside figure that we could obtain from our farmers in Canada in any particular year. In 1940 and 1941 we restricted the amount of pork products to go on the Canadian market in order to make possible the greatest quantity to be shipped to the British market. That policy was continued through 1942, and indeed the restriction of supplies of pork on the Canadian market was increased during that year; in other words we took more off this market and put more into the British market. The natural result was that through 1940, 1941 and 1942 there was a gradual increase in the consumption of beef in this country. There was no decrease in production—as I could indicate by figures—and no decrease in the slaughtering of beef for marketing purposes in Canada during that period of time,