

Agricultural Products Board

year. I am speaking of the dairy year which starts on May 1. These were purchases made during the dairy year.

Mr. Quelch: I want to make sure I have a correct understanding of the minister's formula for setting floor prices or support prices. Did I understand the minister to say this support price is based on parity in the years 1943-1945 or is it based on a percentage of parity of those years? If that is the case, how low does the price have to fall below that before the government can say that it is enough to set the floor price or support price? Is it the minute the prices of products in this country fall below that parity?

Mr. Gardiner: To answer the last question first, the government acts in advance. For example, for two years we set the floor price on butter at 58 cents for two years. We expected that 58 cent floor price would retain butter at a level which would bring about the proper relationship between what the farmer was selling and what he was buying; and apparently we have not missed the mark by much.

Mr. Quelch: Is that on parity with 1943-45?

Mr. Gardiner: I will speak of that in a moment. Then in connection with eggs, some criticism has been made of the fact that we only agreed to buy eggs at 38 cents. We agreed to buy butter every day at 58 cents. That offer is there all the time. If no one else will pay more than 58 cents, we buy the butter. We did not get any butter at 58 cents this year. The butter was all sold above that price. We did not get any of it. We then raised the price later on, as has been stated, to 63 cents. But as was stated by various members, we are not getting any at present. The trade is paying just a little bit above 63 cents and is getting all the butter.

We have not raised any objection to that, and we do not raise any objection to it. We do not want to be in the butter business. We would much prefer that those who are in the business stay in it, and go on and do business; but we have tried to provide that they cannot bid the farmer down in the summer months, as they have in the past, at a time when the farmer is producing twice as much butter as the market will take—in, say, the month of May. It was the custom to run prices down, as has been suggested by the member for Temiscouata; at a certain period in the years gone by butter was 40 cents a pound one month and 20 cents a pound the next month. That was

[Mr. Gardiner.]

because more butter was coming on the market than the market would take, and the price was forced down. We say we will take the butter any time at 58 cents. Then, when winter comes along, we add the cost of carrying it and put the butter back on the market at that price. We have had two years' experience with that procedure. One year we had a little bit of trouble because we got too much butter. The next year we had a little bit of trouble because we did not get quite enough. This year we do not know exactly what our position is going to be to the end. We have not got any. The trade, for reasons best known to themselves, have bought all the butter.

We have realized that there might be a shortage towards the spring and we have bought some butter from outside, in order that we might be able to handle the situation in, say, the month of March. We do not expect to have to handle it until that time. But we have some butter to carry over into that period in order to take care of the situation which may arise toward the end of the season. That has been the practice in connection with butter.

As to eggs, as I say, we only agreed to buy at 38 cents whatever eggs are left on December 1. We did not agree to buy eggs any other time. We say that on December 1 we will buy whatever eggs are in storage that anybody wants to sell us at 38 cents. Last year nobody wanted to sell us eggs at 38 cents and we did not get any. We were asked to go on with the same policy, and we did so. Eggs have sold on an average of about 16 cents a dozen more this year, throughout the whole year, than they did last year; that is, to the producer. They have sold about 16 cents higher, with the same guarantee that we will buy all the eggs that anybody wants to sell us at the end of the season. Last year we said that the end of the season was December 1. Now we have the same policy. Naturally we have not bought any eggs up to the present. We will not have to determine whether we are going to buy any until the end of this month. If we are required to buy a few, I am sure that everyone in this house will agree that any few that we may have to buy at the end of the month is worth while in view of the fact that eggs have been 16 cents a dozen higher in price to the producer this year than they were the year before. Hence that has not done any harm to the farmer. That is the method of dealing with eggs.

As to the other product that we have been dealing with in the past, namely cheese, we