

By the time we entered into the second year of the war it was apparent, from the deliveries of the preceding year and from the statistics then available, which had been more carefully compiled than previously, that we would have at least 425,000,000 pounds of bacon and ham for delivery to Britain during this year without in any way interfering with the consumption in Canada. Therefore we entered into an agreement based upon those figures. Hon. members will recall that in 1932, when we entered into a trade agreement with Britain, we thought we were asking for an outside figure when we asked for a quota of 280,000,000 pounds.

Mr. BROOKS: That was when Denmark was still supplying the British market.

Mr. GARDINER: Yes; Denmark was supplying the market at that time. This year we thought we had the outside quantity at 425,000,000 pounds; but speaking in round figures, since the beginning of that contract there has been delivered an average of 3,000,000 pounds a week more than the contract calls for, and I think, as well, we have been eating more pork in Canada than at any previous time. In other words, we are getting about 3,000,000 pounds more a week than the contract calls for, up to the present time. Britain has been taking approximately a million pounds a week more than she contracted to take, and we have been putting about 2,000,000 pounds a week into cold storage.

I give these figures in order to indicate to the committee what I think will be quite apparent, in answer to the question of the hon. member for Souris; that is, that no one in the federal Department of Agriculture is asking the farmers of Canada to produce more hogs at present in order to supply the demands of our own market plus those of the British market.

There is an uncertain factor in connection with the whole position at the present time in relation to hogs, and it is this: The United States market last year, throughout the whole year, averaged about three cents a pound under our market for hogs. That was due largely to the fact that we had entered into an agreement with Great Britain last year, and that Great Britain took delivery throughout the whole year of hogs at that higher price.

This year the United States price has drawn up closer to the Canadian price, and occasionally runs a little above our price, when one takes into consideration the difference in the value of exchange, and the tariffs as between the two countries. Occasionally hogs have crossed the boundary line into the United States, since the entering into of the new

agreement, because of the price being a little higher from day to day in the United States than it has been in this country. But, generally speaking, since the contract was entered into, the price in Canada is still better than the price to be obtained in the United States. How long that will last, we do not know. If there is the bidding for Canadian hogs in the United States, then there is the possibility that the entire amount that we now have will be required.

Some inquiries have been made as to whether we might be able to provide more bacon and ham to Great Britain. But nothing definite as to whether they will require more, or whether they will desire to have more, has been arrived at. Inquiries have been made as to whether we would be able to provide them, if they required it, and we have given the information to the British government that I have given the committee to-night, in order that they may be fully informed as to our position. Therefore I believe I may say in answer to the question that, in so far as bacon production and hog products generally are concerned, the farmers of Canada are producing everything we require up to date to supply the Canadian market and the British market. I am not discussing, in connection with that question, the point whether or not the farmer is getting all he needs to get for the hogs he is producing. But the farmer is doing his part at least in producing all the hog products we have been able to dispose of in supplying the British demands for bacon on the other side, supplying our own market as well, and the limited amount which has been going to the United States.

In so far as cattle are concerned, we are getting the best price for cattle we have had for many years. We are selling all our surplus cattle in the United States. Up to date there has been no necessity to ship any cattle to Great Britain, as part of our war effort. The United States is taking all our cattle, and would take more than they are getting from this country. In other words, there is no problem connected with getting rid of the surplus supply of cattle.

We have this position existing at the present time: While some people have been suggesting that our prices ought to be on a parity with those of 1926, cattle constitute the one farm product which at the present time is above the parity for 1926. I believe on an average throughout the year the price has been above the parity for 1926. Therefore there is not much complaint or much opportunity for discussion with regard to the price