

HOUSE OF COMMONS

Thursday, March 9, 1950

The house met at three o'clock.

BUTTER

ANNOUNCEMENT AS TO SELLING PRICE OF
GOVERNMENT-HELD STOCKS

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, as a matter of privilege, and in the public interest, I wish to make a statement regarding butter.

I issued a statement through the press yesterday which is a summary of what will be issued to the trade. I am sorry that the interpretation placed upon it by some reports was such as to render it misleading; therefore I wish to make the announcement to the house, where I probably should have made it in the first place.

The announcement given the press was as follows:

Ottawa, March 8, 1950.—Right Hon. James G. Gardiner announced today that it was not anticipated that there would be any change in the selling price of government-held butter before the end of March. Mr. Gardiner also announced that if the government did decide to change its selling price downward on butter, those who had purchased butter from the government would be protected against loss resulting from the change to the extent of the stocks on hand.

This is the announcement going to the trade, and it will be fully understood by those concerned. Anything added as though it came from the department could result in misunderstanding, and therefore I wish to make this statement at the moment.

For the benefit of hon. members I wish to state that the last ten-year average storage of butter, as of March 1, was, in round figures, 19 million pounds. The highest storages as of that date were 23 million pounds in 1940 and 24 million in 1947. The storage as of March 1, 1950, is 36 million. Of this amount the government had 25 million pounds.

The end of the dairy year is April 30. The last ten-year average storage as of May 1 was, in round figures, 10 million pounds. The highest during that period was, in round figures, 12,700,000 in 1945 and 13,500,000 in 1949. We bought butter last year so that we would have a carry-over sufficient to make distribution possible.

On the basis of these figures there would be about 25 million pounds of butter in addition to current production to market between

March 1 and May 1 to leave the usual carry-over at the end of the year. The government disposed of two and one-half million pounds last week.

It should be remembered that neither the producers of butter nor the government ever encourage the production of more butter than can be consumed in Canada. It is because of the adjustments which will be necessary to maintain this objective that the announcement made yesterday was thought advisable. I wanted to put these explanations on *Hansard*.

Mr. Wright: Mr. Speaker, in view of the minister's statement, and with your permission, I should like to ask him a question. What will be the position of small dairies throughout the country which have stocks of butter on hand as at April 1? Will they be protected in the same way as purchasers of butter from the government reserve?

Mr. Gardiner: They are protected by the fact that any time up to the dates referred to in this announcement they can deliver butter to the board itself.

Mr. Wright: Must that butter be in carload lots, or may it be in less than carload lots?

Mr. Gardiner: It has been customary to have it in carload lots. I do not know whether other arrangements can be made. That is a matter of arrangement with the trade.

Mr. Drew: I should like to ask a question arising out of the minister's statement. To whom and at what price was the butter sold last week?

Mr. Gardiner: It was sold to the ordinary dealers across Canada. I understand that three of the principal dealers telephoned this morning as a result of the announcement made yesterday, and their understanding is the same as the announcement conveyed. One of them said: "We will probably have three carloads of government butter at that date and one carload that we shall have obtained elsewhere; does that mean we will get a settlement on three-quarters of the butter?" His question was answered yes, and he said they fully understood the principles involved. The sales were all made last week to the Canadian trade.

Mr. Drew: At what price?

Mr. Gardiner: At 60½ cents.

Mr. Smith (Calgary West): I should like to ask the Minister of Agriculture whether any