

This was at the very time that the bacon was being supplied to the Canadian army.

However, with rumours of a March offensive in Europe and a probable change in United Kingdom requirements, a courageous view was justified and the board continued to support the price level of hogs by continuing storage.

That was done, I understand, by deducting 72 cents from every long hundred pounds of bacon sent to Great Britain, and paying the storage which has since been paid by the packers themselves.

Finally March passed with no change in the European situation. New advices from the British ministry and from Canadian representatives overseas were to the effect that we could not expect to ship any quantity over the minimum of 50,000 long hundredweight per week during the life of the contract. Our total storage position was then 27,273,502 pounds.

The next thing that happened, according to this, was that the board immediately stopped paying storage charges on bacon that was being stored in Canada, with the result that prices dropped very materially for Canadian hogs sent out by the farmers and marketed either alive or dressed. It seems to me that a serious mistake was made. The board should have continued paying storage charges and supported prices to the Canadian farmer, or we should have been using some of that Canadian pork to feed our soldiers. The final sentence in the board's statement is this:

On April 10—

That was about a month before the board said "Until late in May there was not sufficient Canadian pork":

On April 10, the board instructed packers to resume storage to their account.

So that storage has been going on again since that time. The board continues:

Hog prices closed on April 11 in close conformity with previous export levels.

Mr. GARDINER: On a point of order, Mr. Chairman, I would ask the hon. member to be good enough to postpone this discussion until we come to the marketing item, when Mr. Shaw will be here. All this information comes more properly under marketing than under production. There are explanations that can be given in reply to most of what is now being said, and I would not mind giving the explanations now but for the fact that probably some other members will be raising the same questions on the marketing item and the discussion will then be had all over again.

Mr. NICHOLSON: Is this the branch of the department which supervises the production of agricultural commodities required particularly for war purposes? Is it the branch which

[Mr. Senn.]

gives directions that there should be increased production in bacon, oats, and other commodities?

Mr. GARDINER: Any attempts that are made to increase agricultural production will come under the direction of the war-time agricultural supply board, made up of the assistant deputy and the directors of the different branches. The director of production is a member of the board, and we can deal more properly with that question when Mr. Shaw, who is chairman of the board, is here. I think it would be better if we discussed under marketing all matters having to do with bacon, and the handling of apples, cheese and other products.

Mr. TUSTIN: An agreement was entered into with the United Kingdom for the production of cheese, and according to the press the United Kingdom has indicated that it is open for a larger quantity than contracted for. If that is so, may I ask what is being done to stimulate the increased production of cheese in Canada?

Mr. GARDINER: That is another question which I think could more properly be discussed under the other item, because it comes under the supply board of which Mr. Shaw is chairman. At the moment I would say that Great Britain has made inquiries within the last ten days whether we can supply her with more cheese than was called for by the agreement, and we have notified her that we are in a position to do so. More cheese is being supplied this month than the agreement calls for. The only direct assistance which has been given to encourage the greater production of cheese was that given last year under the Cheese and Cheese Factories Act, which provided for the payment of a bonus of one cent on the higher grades of cheese.

Mr. TUSTIN: I shall be very glad to postpone further remarks until we reach the marketing item.

Mr. SENN: Marketing and production are very closely related; successful marketing, generally speaking, has an immediate effect in increasing production. If we are to postpone our discussion until we reach the marketing item I think we should have some assurance from the minister that he will not at that time restrict the discussion of production generally.

Mr. GARDINER: I think that might very well be allowed, Mr. Chairman. We are concerned not merely with production in peace-time but also with efforts to step up production because of the war, in order to supply the British market and others who are