

ed quotas. The increase in the west is greater than it was in the other parts of Canada, so that this year our index figure for Saskatchewan and Alberta should be considerably higher than it was in any of the preceding years as compared with the other provinces, and we believe it will be reasonably comparable with those figures during that time.

I recite these figures in order to emphasize one or two points. The first is that we have production variations affecting income and we have price variations affecting income. The production variations are greatest in connection with cereals or grain crops, as has been emphasized by questions that have been asked. The meat variations run in cycles. It takes about three years to increase or decrease the cattle population and about a year and a half to increase or decrease the hog population, and therefore the meat figures or variations in quantity run in cycles. Dairy products are more constant than any others. If one checks the different provinces and finds that the index figures are fairly constant, one can attribute it to the fact that certain of these farm products are produced in a certain area and others such as grain in other areas where there are greater variations. There is another variation that is to be considered in the figures compiled and that is the price variations, and that leads me to say that not only will it be necessary to stabilize prices as between the war period and the post-war period, but it will be, as it has been, necessary to stabilize prices seasonally. That is to say, taking dairy products, butter is produced in the summer months, and so is cheese. It is carried over in storage in the winter months. The consumption is just as high in one part of the year as in another. As a result of that there has been a great deal of speculation by those who have had to store their products in one part of the year and carry them over into another part of the year. Under this bill it is hoped that it will be possible to level out these prices and to stabilize them on some fair level which will make it possible for, let us say, the commodity board handling dairy products to take control of the storages of butter during the months of May, June and July and to carry those storages over into the winter months, and thus have some control over the prices during those periods in case the trade is not prepared to do so on a basis of fair price levels.

That is all I wish to say with regard to the variations in prices. But there is one thing which I think should be dealt with at this stage, and it is the fact that when the war is over we are going to be negotiating with

other people for the markets that are going to be necessary to the marketing of our farm products at any prices—

Mr. HANSON (York-Sunbury): That is the export trade.

Mr. GARDINER: That is the export trade. I suppose some critics of the present plan would suggest that we may be setting up something to which other countries will object, namely, two price levels, one for our own people and one for the people we are to trade with. In other words, when we have great surpluses here we may sell them cheaper some place else than the price at which we sell them in Canada. I would just like to say in regard to that that we would have a lot of very good company if we did that. Australia and New Zealand were doing that before the war started. The United States did it for a year or two before the war started. One of the chief reasons why we had such low prices on grains particularly was the fact there were great surpluses in the United States and they were prepared to sell them to some other countries at very much lower prices than those at which we could produce wheat. Therefore I call attention to the fact that there may be criticism to the effect that if we went too far in the direction of controlling we might find more difficulty in dealing with others. All the facts in relation to that will again be collected by this board, and will be available to the government to be placed before others when we are negotiating any such contracts or entering into any arrangements as to the exchange of our agricultural products after the war.

I should like to say that there have been a number of announcements made all foretelling this particular legislation. It is not something that has been rushed into the house without the public knowing it was coming. We have not left the public in the dark as to whether we were going to have it or not. There was considerable discussion on the floor of this house from time to time with regard to measures of this kind, and since that is on the record I am not going to attempt to place it there again; but I shall call attention to what has taken place recently with regard to matters of this kind.

There was a convention held in Ottawa—a Liberal convention, incidentally—on September 27 and 28 of last year. That convention placed before the government their views with regard to a number of matters. Among other things they said this:

We advocate a policy under which Canada will (h) provide security for farmers and fishermen by safeguarding against inflation now and by guaranteeing minimum prices for their products against collapse of prices after the war.