

time, that the farmers in the spring of 1944 were getting less for their cattle than in the spring of 1943. They did get slightly less, and the reason was that the farmers, in taking the advice given by the Department of Agriculture in the fall of 1942, benefited by following that advice through into the spring of 1943 and delivering their cattle when a higher ceiling was provided for on those cattle.

The ceiling established during the fall of 1942 was one that reached 18½ cents per pound on sides of beef on April 27, 1943. It dropped by three-quarters of a cent on two dates later, and finally by one-half of a cent to place the lowest level. From September 20 to December 18 it was at two cents below the highest point in the ceiling, and from December 19 to February 6 it was at three-quarters of a cent higher. From February 7 to March 19 it was one-half of a cent higher, and on March 20, 1943, it raised another three-quarters of a cent, while on April 24 it was again back to the high point of 18½ cents.

The fall ceiling price was two cents on beef below the highest point in that ceiling, which was between May 27 and August 14. I submit that under that arranged ceiling farmers would require to go into the market in the fall and sell their cattle at a lower price, because the price of the commodity was down at that period. Because the price of the commodity was down at that period of time the purchasers bought the cattle low and fed them into the higher period to be sold in the spring of the year.

In May of 1943, yielding to representations which were made by the Department of Agriculture, the prices board established a new ceiling, and that ceiling was made a flat ceiling. It was put at a quarter of a cent above the highest position in the previous ceiling throughout the whole year. In other words, there was a higher ceiling for 1943-44 than there was for 1942-43. That ceiling was a quarter of a cent higher than the highest point in the old ceiling. But there was established at that time by the prices board a varying floor, and that varying floor was made exactly the same as the ceiling which had been asked for by the Alberta representatives in the fall of 1942. In other words, right down to the present time the lowest price at which cattle were presumed to be sold was established through the setting of a floor price on beef, which was equal to the ceiling price established in the fall of 1942; and the higher ceiling was established throughout the year on representations made by the Department of Agriculture at that time.

We have operated under that latter policy during the year and down to the present.

Certain difficulties have arisen, and some of them were referred to a few moments ago by the hon. member for Lethbridge. He asked why we did not buy meat in the early part of the season of 1943.

Mr. BLACKMORE: 1944.

Mr. GARDINER: 1943 to begin with. We did buy meat through 1944.

Mr. BLACKMORE: I asked particularly about 1943.

Mr. GARDINER: I will deal with it in my own way and say this. In 1943, from May on, there was a standing offer from the meat board of the Department of Agriculture to buy beef from any of the packing plants or any of those who had it for sale for export. It is true that we did not buy any until late in the fall, and there is reason for that. When you establish a floor such as was established—and such by the way as is still insisted upon by the men who have been mentioned by the hon. member for Lethbridge—when you establish a floor which is 2¼ cents below the ceiling for the months of September and October and rises by three quarters of a cent at one time and half a cent at another—in other words, you step it up over the period of time until it gets back to within a quarter of a cent of the ceiling—in order to prevent the packing plants of this country from making a killing in buying cattle on a low level and selling them on a high level of price, you have to make a further regulation and say that if the packing house takes those cattle in at the bottom of the floor price he must, when he turns the surplus over to the government, sell that surplus to them on the same basis. Otherwise he would be buying his cattle at the low point of the floor, slaughtering them, putting them in cold storage and selling them to the government on the higher step. Therefore the regulation must say, and it does say, that at whatever level the packer bought the cattle and at whatever level the price was when he slaughtered the beef, he must of necessity turn the beef over to the government at that particular price.

That can result in only one thing, Mr. Chairman. It can only result in the packer doing what any other individual or member of this committee or a business man anywhere would do. He would say: There is no sense in my buying meat down on that lower step, putting it in my coolers and keeping it when there is no provision made for the carrying charges to take it up on the higher steps. What he actually did, and I submit any hon. member of this committee would have done the same thing, is this: he went out and