

So far as the butter situation is concerned, I do not think there is any limit to the amount of butter that we can get rid of from Canada within the limit of what we are likely to produce and can produce.

But I would point out this: Britain asked us last fall if we could deliver to her last fall 10 million pounds of butter. The reply we gave was to the effect that if she needed 10 million pounds of butter we would deliver it to her, even if we had to put our own people on rations in order to do it, just as the people of Britain were being rationed over there. We said: "What would you pay for it?" If I remember rightly, and the officials here will correct me if I am wrong, Britain at that time said 21 cents, or what would be equivalent to 21 cents in our money. Butter was selling in Canada at that time for 24 cents. We did not say to Britain: "We will send you the butter because it is here in Canada." But we said to her: "We are prepared to send the butter if you want it, and we will accept what you are prepared to pay for it."

Then they asked us what effect the shipment of 10 million pounds of butter to Britain would likely have upon the production and delivery of cheese. We said it would probably have a detrimental effect; and when they asked, "In what way?" we said that if we left our market open here and took 10 million pounds off the market, which then was said to be a little short, we would probably have a price for butter in Canada this winter and probably early next summer which would greatly encourage the production of butter, and if somebody would take our butter at the higher price that we were likely to get on our local market as long as there was a shortage here, then that could be justified, but that if we were going to have to deliver the butter to Great Britain, we would have difficulty in taking just 21 cents for the butter which we were producing in this country throughout the year, and that the production of butter would at the same time be shortening the production of cheese. Then Britain said that they did not want the butter, they wanted cheese, and they were not prepared to pay any higher price to get butter from Canada.

May I say just briefly, because it is almost eleven o'clock, that Great Britain has contracted for all of the butter of New Zealand and Australia and all the butter they can get elsewhere, and they would take at a price any butter we might have by way of surplus in Canada. But we believe that, in so far as the price itself is concerned and getting the price which the farmer must have at the present time if he is going to be able to produce butter in this country to advantage, it will be

[Mr. Gardiner.]

necessary for us during this coming year at least, whatever we do next year, to keep our butter production about equal to our butter consumption in Canada, and get our cheese production just as high as we can get it in Canada. We think that, by doing those two things, we shall be doing the best we possibly can as farmers to serve Britain and at the same time serve our farmers, and our country generally.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

### Friday, February 28, 1941.

The house met at three o'clock.

#### WAR PENSIONS

##### CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Hon. CYRUS MACMILLAN (Queens) presented the first report of the select committee on the Pension Act and the War Veterans' Allowance Act, and moved that the report be concurred in.

Motion agreed to.

#### CANADA'S WAR EFFORT

##### REFERENCE TO CRITICISMS IN UNITED STATES SENATE

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I wish to draw to the attention of the government the following remarks of Senator Gerald Nye, of North Dakota, made in the debate yesterday afternoon in the United States senate on the so-called lease-lend bill. Senator Nye is reported to have said:

As we have done until now, Canada has required of England cash on the barrel head.

That is for war supplies.

Canada hasn't made a move to indicate other than that she would anticipate cash on the barrel head in the future.

Enact this bill, and you will find England using our United States dollars which we will give her to pay Canadians for the war supplies they send to their mother country.

I would ask the government what steps, if any, are being taken to correct such damaging statements in the United States. Has any statement been issued by the Canadian legation in Washington in refutation of such unfounded charges?