Record of Industry Controls 1941-1944

During the Post-War period the question of Canada's Beef Cattle Industry, the United Kingdom Contract, and the removal of the embargo on cattle exports to the United States has become one of paramount importance. Cattlemen have always contended that access to the United States market was the cornerstone for their Industry and now that the War has been concluded for over two years the right of private export should be restored to them. In order that readers may have the record of the Industry and Government Controls up to March 1944, herewith is reproduced an article prepared for the "Calgary Herald" at that time by Kenneth Coppock, Secretary of the Western Stock Grower's Association.

THE "Beef Situation" is once more in the limelight. In 1942 it was also a matter of public concern. Then officials of the Wartime Prices and Trade Board and the Eastern press constantly referred to beef shortages and by direct statements and inferences were successful in creating in the public mind the impression that the cattleman was unpatriotically withholding his cattle from market.

Today the burden of another beef situation rests heavily upon the cattleman with depressed prices and an uncertain outlook for the future worrying him. It is only right that the public generally should know the story of beef as experienced and lived by the producers. So let us look to the record and start from the beginning.

Canada-U.S. Trade Agreement

The cattleman does not forget the period from 1930 to 1936. This period started with the prohibitive duties of the Hawley-Smoot Tariff of the U.S. This tarriff imposed a 3c per pound duty on all cattle weighing 700 pounds or over imported into the U.S. from any country. It ended with the Canada-U.S. trade agreement, the terms of which among other things provided a reduction in duty to 2c per pound.

With the renewal of the agreement in 1939, there was a further reduction to 1-1/2c per pound on cattle weighing over 700 pounds. During the period mentioned prices on best grain-fed Canadian steers dropped to as low as 2-1/2c per pound. An effort was made to open a market with the United Kingdom with even more disastrous results, with exporters to that market many times receiving little or no returns after selling into a closely controlled beef trade and paying heavy shipping and handling expenses.

From 1936 on when Canadian cattlemen again had access to the U.S. market the industry made rapid improvement. Operators were able to meet obligations, to meet the drought years of 1936, 1937 and to improve their badly broken standard of living.

Those whose memories carry them back beyond the period referred to, and those who have made a study of the industry over a long period have concluded that when the Canadian cattle producers have access to and can export cattle to the U.S. market their industry is on a profitable basis; and when they have been obliged to export to the United Kingdom in competition with the product from cattle exported from low-cost countries such as the Argentine, Australia and New Zealand, their industry is depressed.

The United Kingdom market has always been and in the opinion of cattlemen and their organizations always will be a salvage or liquidating market. In 1939, the Dominion government as an experiment purchased choice 800-900-pound animals from Western feed lots at 8c per pound and shipped them under carefully prepared plans to the United Kingdom market. Although not officially reported it is understood the experiment lost about 2c per pound. Government experiments conducted on several occasions have proven conclusively that a market in the United Kingdom can be developed for the cattleman only by bringing the producers' price to a disastrously low level.

Salvation To Industry

The Canada-U.S. trade agreement for the cattle industry was a salvation; it was a pride of the government and became recognized as the cornerstone of the industry. When it was renewed in 1939 there was a reduction in duty to 1-1/2c a pound and Canada was given 86.5 per cent of a quota of 225,000 head, to be shipped no more than 51,720 head in any one quarter. Government and cattlemen alike realized that after decades of patient and careful negotiation they, at last, had a scientifically developed and profitable export arrangement.

The War Period

With this background let us move into the war period. At the outbreak of war in Sept 1939, Canadian cattle prices had a momentary and sharp rise but declined quickly in line with U.S. market prices. Not until the huge rearmament and lend-lease programs got under way in the South in 1940 did cattle prices there advance and automatically Canadian cattle prices rose. The Wartime Prices and Trade Board had not been functioning then and government attention in the agricultural field was directed to the wheat situation and its "Bacon for Britain" program.

By the fall of 1941 the Wartime Prices and Trade Board had been formed and under the chairmanship of Donald Gordon, the deputy governor of the Bank of Canada, immediately imposed a price ceiling on all goods, which ceiling was the highest price obtaining in the period Sept. 15 to Oct. 11, 1941.

In the cattle industry the ceiling was on dressed beef, the product of cattle sold to retailers by the Canadian packers. From then on the packer buyer was obliged to buy cattle "in line" with his ceiling. So long as U.S. prices remained in line with the new ceilings the Canadian packers could secure supplies without difficulty, but the Canadian ceiling did not rise seasonally to reimburse those who produce grain-fed animals for sale in the winter and spring months.

Operators naturally looked to the southern market which was rising on choice-fed animals to make their feeding operations successful and they exported under the terms of the trade agreement.

Unfavorable Propaganda

From statements made by prices board officials and from press articles it was made to appear that our cattlemen were unpatriotic in exporting cattle to the market they had negotiated for for decades and served since 1936. Claims of beef shortages in the East developed and the blame was placed squarely with the Western Cattle Producer.

The facts of the case did not bear out these claims but the propaganda had a head start. Differences of opinion developed between the federal Department of Agriculture and the Wartime Prices and Trade Board. On April 17, 1942, the Department of Agriculture made an official announcement in which was included the statement, "Strong exception is taken by officials of the Dominion Department of Agriculture to widely publicized implications that Canadian farmers have created a shortage of beef by withholding cattle from the market in order to obtain higher prices in the United States." It continued, "Actually, during the past 15 months beef has been made available to Canadian consumers in record volume."

Rumor of Embargo

By April 1942 it was rumored that an embargo would be placed on cattle exports and producer organizations resisted calling upon the Department of Agriculture for a clarification of the situation. It was then that the announcement of April 17th was made. The Prices Board called a meeting of representative producers to meet in Winnipeg on April 25th.

Those present firmly stood for no change in the export arrangement but recommended that a seasonal rise in the price ceiling should be provided to encourage the production of beef tonnage by the feed lots. It was learned at this

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meeting but never officially reported until now that what precipitated the crisis was the board order of March 31, No. 109, which compelled the packers to sell to their customers on an individual price ceiling basis, i.e., they could sell to a customer at a price no higher than they sold to that customer during the basic period.

As a result packers threw up their hands and refused to sell to their customers, especially the large meat retailers, who had a low price ceiling. Looking at it now we wonder if this did not create the so-called beef shortages, and is it just that the producers should have then been accused of being responsible for beef shortages?

Inquiry in Commons

An inquiry was made on the floor of the House of Commons to find out if dressed beef since the beginning of 1942 had been exported to the U.S. The Minister of Trade and Commerce stated it was not in the public interest to answer the question. Since then a private investigation by one of the association's directors disclosed that over four million pounds of dressed beef were exported to the U.S. in the first three months of 1942 compared with 50,000 pounds for the first three months of 1941.

The burden of supplying beef to two markets, the export market, and the domestic market was made heavier by government restrictions on the sale of pork into the domestic market. The volume of pork permitted to be sold into the domestic market was reduced to 40 per cent of what it was in 1940. This threw a greater consumer demand to beef, fish and other substitutes, but chiefly to beef.

The foregoing is the background to the beef situation in 1942. Certainly the producer could not fairly be called upon to shoulder the blame for beef shortages in various centres throughout the country. The Western Stock Growers' Association called upon its members to produce more beef than they had ever produced before, that they had a double responsibility, to meet the requirements of an enlarged domestic market and to fulfill the responsibilities or obligations suggested by the Canada-U.S. trade agreement. The association's president in his annual report to the members in 46th annual convention included the following which had the unanimous support of those present:

"Let no one delude themselves; should our export market to the States be lost, another ally in this conflict, Mexico, will gain it, and at the conclusion of the war it would be most difficult, probably impossible, for us again to enter the southern market on the same favorable basis as we have enjoyed in the past.

"And furthermore what a sad commentary on co-operation to win the war! While our exports amount to approximately the equivalent of 100 million of dressed beef per year, and this is a very low percentage of what the U.S. uses each year, yet the principle of withholding even this small volume when at the same time they are rendering maximum co-operation under lease-lend to Britain by way of not only meats, but war materials of all kinds, is one that I am not prepared to accept, and I am sure the members will not tolerate acceptance of by the federal government. A privilege to export has now become an obligation."

In July, 1942, the Prices Board named a representative committee of beef producers to meet with the board from time to time to advise on the complex beef problem. The committee met in Ottawa first, on July 27th, 28th, and again on September 20th, in Saskatoon. The committee's advice and recommendations were not heeded and at the latter meeting the chairman of the Prices Board made a policy announcement hardly before the committee had started its deliberations. The committee has not been consulted since.

The Wartime Food Corporation

On May 20th, 1942, an order-in-council was passed conferring powers upon the Prices Board to control the export of beef cattle whenever shortages in the domestic supply of beef cattle called for such action.

On May 29 the board announced a comprehensive plan of action. The Wartime Food Corporation, Limited, was formed to operate in the domestic market to acquire cattle from exporters in sufficient numbers to maintain domestic supplies of beef. The corporation would divert shipments consigned for export, would pay the U.S. export price equivalent, and would resell at a loss to Canadian packers in order that they might sell to retailers under the price ceiling. It was to start operations on July 1st.

Donald Gordon, board chairman, in making the announcement stated: "It is not possible to replace beef with pork in the domestic market because of the obligation of Canada to supply the United Kingdom with approximately 10 million pounds of bacon each week. Hog marketings are not large enough to permit of the filling of this contract and at the same time allow normal Canadian consumption."

Operation Unsatisfactory

After only 10 days of operation it was evident that the Wartime Food Corporation was not the answer to the beef problem. The corporation diverted shipments from the export market, its valuations showed a wide variation, the smaller producer who could not get together a carload lot for export was victimized by dealers, and thousands of cattle of the quality never before exported were consigned for export in order that the export price might be received from the Food Corporation. At a meeting of the association's directors it was decided to address the association directly to the prime minister.

It was pointed out that the wide variation in evaluation was detrimental to the industry and that there was no evidence that the Food Corporation was impressed with the importance of shipping to our export market. They concluded that the Food Corporation should abandon its operations and solicited an opportunity to discuss the situation and make recommendations. The chairman of the Prices Board to whom the latter was referred refused to accede to the request.

By the middle of August the Food Corporation announced that its purchases plus what had been exported had equalled the quarterly export quota of 51,720 head and so ruled the quota closed and that until the next quarter which started October 1st, Canadian ceiling prices only would be paid.

As was to be expected producers awaited the opening of the next quota at which time they expected to receive the export price. Cattle marketings dwindled and the Prices Board was faced with a "real" situation of its own manufacture.

Special Association Meeting

On August 25th a special meeting of the board of directors of the Western Stock Growers' Association was called and after full discussion the following resolution was passed:

Whereas, it is the opinion of our directors that the present method of marketing cattle under the Food Corporation is confusing and tends to defeat the purposes for which the corporation was set up; and,

Whereas, we consider the purposes of the Wartime Prices and Trade Board, viz.:

(*a*) To maintain adequate supplies for home consumption,

(*b*) To maintain or increase beef production, and,

(*c*) To maintain the United States market, would have best been served by operating through the regular channels, nevertheless in view of the fact that the government has established a policy of control which sets a price ceiling on dressed beef, and

Whereas, it is the wish of the members of the Western Stock Growers' Association to co-operate with the government in its war effort:

Be it resolved that—

(*a*) We are in agreement with the principle of a price ceiling in the production of beef cattle provided,

(*aa*) That the ceiling established be reviewed at intervals to keep it in line with the cost of production, and provided also,

(*bb*) That the dressed beef price is kept in line with the ceiling, and,

(*b*) That the surplus cattle offered for sale be purchased by the corporation for export to maintain the price ceiling,

(*c*) That any profits obtained from the sale of such surplus cattle be kept in a fund for the benefit of the industry during the post-war period of re-adjustment,

(*d*) That the export of all dressed beef, if permitted, be at a price in conformity with the domestic price ceiling, and,

(*e*) That proper control be instituted over all branches of the industry through to the ultimate consumer.

Change in Policy

Almost immediately the Prices Board announced a change of policy. The official press release made on September 5th, 1942 stated in part:

"A complete change in the governmental policy of handling the beef cattle industry to prevent shortages in beef for military and civilian needs was announced the past week through the Wartime Prices and Trade Board. Briefly the new policy is that no exports of beef cattle at all will be permitted from Canada to the U.S. except by the Wartime Food Corporation itself.

"This wipes out, so far as the producer and exporter of beef cattle is concerned, the entire export market, for the time being, and puts the entire beef cattle business back upon a domestic basis throughout, with marketing proceeding in the normal way through the normal channels of trade.

"The Food Corporation was formed in June last to divert cattle from the export to the domestic market to avoid beef shortages, by buying cattle during the export quota period, and paying full export value. It will now operate only for two purposes, first to buy cattle when necessary to support the domestic cattle market up to the ceiling prices for beef, and also to export to the U.S. when surpluses might develop which could be sent over without jeopardizing domestic supplies.

"On such exports, whatever profit is made by the corporation will be put in a fund to be used for the benefit of the cattle producing industry."

Producers Reconciled

Producers became reconciled to the new arrangement and on September 5th the association issued the following statement to the press: "The action of the Wartime Prices and Trade Board in taking over the cattle export trade of Canada and with it the export price was the only action to have taken under the circumstances. The former policy of paying the export price (which is roughly $2 per cwt. over the Canadian ceiling price) for a short while then paying the Canadian ceiling price was very uneconomic and resulted in a disorganization and demoralization of the industry.

"Only two courses of action were open: one, to pay the export price throughout the year and the other to take over the export trade and permit the Canadian beef producer to receive only the Canadian ceiling price. The first course would have given the producer what, in ordinary times, he would have been entitled to by virtue of the Canada-U.S. trade agreement, the second course while taking off approximately 15 to 20 millions annually in the value of marketing and about 200 millions in the value of the cattle herds of the nation was necessary to keep the cost of living index down and to bring about a return to uniform marketing of cattle.

"The beef producers have agreed to the action taken although such action

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has meant in many cases the breaking of many pleasant personal trade connections, the surrender of the export price and a consequent drop in the value of their marketings and their holdings. It is hoped that this contribution to Canada's war effort and to the Canadian consumer will be fully appreciated. If so then the producers will feel a measure of compensation for the present contribution.

"Of the government however, the producers expect in return certain very reasonable things. First, that all phases of the industry be tightened up, and controlled so that the full benefit of the lower cost of beef be passed on to the consumer. Second, that with the export market to the U.S. and the handling of it, the government be as scrupulous in the interests of the cattle producer as it presently is in the handling of the Old Country bacon market for the Canadian hog producers.

"Third, that prices to the producers be stabilized at the ceiling prices. Fourth, that production costs of the cattlemen be considered from time to time and the ceiling prices changed if necessary in order that production of beef may be maintained and increased. Fifth, that any profits realized through the export of cattle be used fully for the benefit of the industry not only during the war but after it, and Sixth and probably as important as any consideration, that the government work in close co-operation with representatives of producer organizations."

Loss Unexpected

But this is made clear then and is repeated now. The producers never did and never will give up the U.S. market for their cattle production. They did turn over the right to export to the Wartime Food Corporation on the understanding that that corporation would as surplus supplies develop export to the U.S. and so maintain that market. They agreed to give up the American price as a price determining factor for their cattle—but they never agreed to surrender the export market.

Although producers were reconciled to the new situation in the West, the lot of the Eastern producer was different. Cattle feeders in the East normally market their cattle off grass in the summer months but continued to hold back their cattle for greater gain. This precipitated a supply situation in the East. They took the stand that prices were not high enough for them to feed for the gain and inasmuch as feeders were as high as finished cattle they needed a higher price for the finished product.

On September 20th Chairman Gordon announced "The shortage of beef is acute but it is believed that the immediate emergency can be overcome if it is realized that cattle prices cannot be expected to rise this season." He stated that the board was considering ceiling prices on live cattle, the allocation of supplies accompanied by consumer rationing.

Jam Persisted

Confronted with this statement many producers marketed their cattle but the jam in the East remained unbroken.

On October 7th the Chairman of the Board announced that the ceiling on wholesale dressed beef on October 13th would be advanced 1-1/2c per lb. until December 23rd, then on December 24th it would rise 1/2c per lb. to be followed by an additional rise of 1/2c per lb. on each of the following dates: February 11, March 25th and April 29th. On May 27th there would be an increase of 1/4c per lb. The price level from then on was to constitute the ceiling with prices free to fluctuate seasonally under that ceiling in accordance with market conditions.

At the same time it was announced that the board had defined six grades of beef: Special quality, commercial, plain, cutter, cow and bull beef, and boner beef. Special quality had to carry the government "red brand" and the ceiling for this would be 50c per cwt. over commercial. Plain was to be \$1.50 per cwt. under commercial, cow and bull beef \$2.50 under commercial, cutter \$3 less than commercial, and boner beef \$4 under commercial.

The "qualities" established and the price differentials given in this announcement remain the same today and the 15 zones previously set up remain unchanged.

In September, 1942, the federal Minister of Agriculture announced that in view of the heavy crops and abundance of forage that he was prepared to recommend that producers should carry their cattle to older age and heavier weights. This might mean, he stated, that there would be greater beef tonnage.

What of Exports?

The Wartime Food Corporation under the order-in-council of May 20th, 1942 was formed "to control the export of beef cattle whenever shortages in the domestic supply of beef cattle called for such action." The producers gave up the right to private export on the understanding that that corporation would in times of surplus actually buy live cattle and export them to the U.S. However, from the date of the September 5th announcement not a single head has been exported. On November 23th, 1942, the president of the Food Corporation, Hon. J. G. Taggart, also foods administrator and chairman of the Canadian Bacon Board stated: "As you are aware we have an organization with competent cattle buyers available in all major markets to purchase cattle at any time that surplus marketings threaten unduly to depress prices. In spite of very heavy marketings in recent weeks prices have been maintained at sound levels in relation to ceiling prices for beef. There has been, of course, a very heavy consumption of beef in this period and there has been a moderate accumulation for future use. It is our intention to continue this policy throughout the year so that the cattle feeder will have the same guarantee when he sells fed cattle next spring as has been available to the producers who have sold this fall."

Promised To Buy

On October 21st, 1942, Chairman Gordon stated "that the Wartime Food Corporation would enter the market and buy cattle if prices threaten to fall unduly. In its buying policy, he continued, the corporation would be guided by the maximum wholesale beef prices established by the board with a view to supporting live cattle prices at levels appropriate thereto. Cattle purchased by the corporation under this policy might be processed and placed in storage to provide a reserve supply for domestic consumption. If runs of cattle on the market occur in excess of Canada's domestic requirements, the corporation would buy and export the surplus."

Producers were comforted to learn in these two announcements that the Food Corporation stood ready to buy cattle if prices should decline unduly from the dressed beef price ceiling equivalent but they were beginning to have their doubts about the corporation actually exporting cattle. From a promise to buy and export any surplus the policy had changed to one of buying when a surplus developed, having the cattle processed and then placing the supplies in reserve storage and then if supplies were still burdensome the corporation would export.

Producers were again comforted with the statement from the Minister of Agriculture which was written on Nov. 25th, 1942 in answer to the association's request that steps be taken to secure the industry in the post-war period. His statement follows: "There has been an attempt made on one or two occasions with regard to a number of products which are being supplied to Great Britain to get an arrangement which would carry out beyond the end of the war in the establishment of prices but up to the present we have been unable to do so. There would, I imagine, be greater difficulty in getting a definite arrangement with regard to cattle since our surplus must of necessity go to the United States." The Southern market was still recognized by the federal government as the important one for the cattle industry, statements by officials of the Wartime Prices and Trade Board notwithstanding.

Wartime Food Corporation

The Food Corporation soon became dormant and with its inactivity the producers immediately realized that they had no government purchasing agent to provide competition with the packer and force him to pay in line with the price ceilings. Violent differences of opinion developed between the Wartime Prices and Trade Board and the Federal Department of Agriculture. By February, 1943, there was a realignment of responsibilities. Policies and programs for the maintenance of support to producers of agricultural products in relation to price ceiling controls became the responsibility of the Department of Agriculture. By May, 1943, the Canadian Bacon Board was reconstituted into the Canadian Meat Board with Hon. J. G. Taggart as chairman.

The Meat Board

The membership of the five-man Meat Board was comprised of the Chairman, L. W. Pearsall as manager, Mr. Adrien Morin, livestock commissioner for Quebec, S. E. Todd, executive secretary of the Industrial and Development Council of Canadian Meat Packers, and L. C. McOuatt, general agricultural agent of the Canadian Pacific Railway. A floor price for beef was proclaimed which was to be the same as the previous years seasonal price ceiling. The ceiling was to remain constant throughout the year. In order to make the floor effective the Meat Board was instructed by the Department of Agriculture to purchase dressed beef at the announced floor prices. It looked as though a workable plan had at last been evolved but producers were still pressing for the revival of the Wartime Food Corporation which would provide competition for the packer and actually export any surplus cattle in order that the Southern market would be protected.

They felt too much packer influence could be evidenced in the operation of the Meat Board. They reasoned if the packers have a representative on the board, why shouldn't the producers who after all have the greatest interest in any meat program? Their requests in both instances were turned down. True the Wartime Food Corporation was revived but for the purpose of buying fresh fruits and vegetables for resale to retailer. Their plea for representation on the board was met with the statement that the board was an administrative body, not a policy making body; that policy was made by the Department of Agriculture. Producers, however, could not understand under this explanation that the board's chairman was constantly discussing policy with them and no doubt also discussed policy with the department. They are still insistent that producers be adequately represented on the Canadian Meat Board.

On June 10, 1943, the Meat Board chairman, J. G. Taggart, returning from an Ottawa meeting to Regina made the following statement: "We will in effect be providing a beef market in the United Kingdom as a substitute for the live beef cattle market in the U.S. which has been restricted." What had become of the brave promise made to producers less

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from southern States and 124 from Queensland—cheap freight rates are being offered for carriage of stock and developmental equipment. The Katherine station of the Council for Scientific and Industrial Research is nearly ready to introduce new pasture grasses, with which it has been experimenting, into the open pasture lands. The animal husbandry section of the Department of Interior is isolating disease and is providing scientific aid to pastoralists.

There is a growing confidence in Australia's Territory today, and it is based on realism. Yet Administrator Driver is against the introduction of new industries and ventures until the established industries, pastoral and mining, are placed on a firm footing.

Once every six weeks, "Mick" Driver's green sedan carrying the gold-plated number "1" of the Administrator is seen carrying him on an inspection tour from Darwin to Alice Springs and into the hinterland. Supply of water is usually his first concern. And he won't be happy until he can realise his present aim of ample water supplies at an average of 15 miles throughout the whole length of the centre's cattle routes.

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than eight months before to purchase live cattle in times of surplus and export them to the U.S.? On the basis of this promise producers agreed to give up the right to private export and the right to an export price.

Council of Western Beef Producers

By July, 1943, the Western beef cattle producers associations had formed the Council of Western Beef Producers to co-ordinate their actions and to develop a united front for the protection of the beef cattle industry. It had scarcely completed its organization and first meeting when the government announced that a payment of 10c per bushel on oats and 15c per bushel on barley would be paid from the equalization fund of the Canadian Grain Board to those who had marketed oats and barley. This announcement had the immediate effect of raising the cost of coarse grains and came at a time when fall feeding operations were being planned. Cost of production not only for the cattle feeder but for the hog feeders immediately rose. The council immediately counselled that those who fed their own homegrown coarse grains should be entitled to the "bonus" in order that the feeding industry would not be disturbed. The bonus could be either on the volume of grain fed or in the form of a higher price ceiling for the finished animals. Without success the Council pressed its request for a review of cost of production as referred to in 1942 when cattlemen gave up the right to the export price.

Disappointment in this and in the announcement of the terms of the new British bacon contract, released in November, started heavy marketings of hogs from disillusioned hog producers. Almost immediately government restrictions on the volume of pork which could be sold into the domestic market were removed and every butcher shop in Canada crowded beef to the background. Packing houses were called upon to process about double the number of hogs previously processed. Beef producers were asked to withhold marketings until the hog glut was taken care of and cattle prices commenced to decline.

Meat Board's Floor Policy Tested

Soon the floor policy of the Meat Board was to be tested. The price of grain-fed cows declined to a point where it was well under the wholesale dressed beef price equivalent. The Council immediately contacted the government and asked for support only to learn that the Meat Board was not at that time, January, 1944, interested in buying that quality of beef. However, pressure of producers prevailed to have the Meat Board floor policy, as they always understood it did, to include all qualities of beef. They reasoned that a floor to be effective must embrace all qualities of beef produced by the industry in the same manner as the ceiling covers all qualities produced. The effect of the Meat Board's purchases of cow beef was to lessen the demand for good steer beef and soon the price of good heavy steers was declining, and at the present writing is lower than the floor equivalent.

Agriculture Minister's Promises

As soon as this trend of affairs became evident the Council chairman made a special trip to Ottawa to interview the federal minister and brought back with him a len thy letter in which various statements and promises were made. "When you stated that steers would be a glut on the market just as cows are now, I stated to you that when and if that happened I had already stated to the public that the American market would be opened for the export of beef cattle." This was a direct promise but the same letter included the observation that the authority to buy live cattle for export was lodged with the Wartime Prices and Trade Board and not with the Department of Agriculture. The letter continued with the statement that "as soon as farmers have cattle to deliver to that market and the Americans were prepared to take them I would be prepared to back farmers in insisting that that market be opened."

Definite Undertakings

These are definite undertakings given by a responsible cabinet minister under date of February 15, 1944. In a letter written to the Council of Western Beef Producers under date of February 18, 1944, by F. S. Grisdale, deputy foods co-ordinator of the Prices Board, the statement is made as follows: "Under the present arrangement for removing live cattle, the Wartime Food Corporation is the sole agency that has this responsibility and their responsibility would be confined to buying the cattle outright and exporting them to the United States. If the Corporation bought cattle in this country, it would be at our market prices and they would be sold in the United States at whatever prices they would bring. The profit from this deal would be placed in a special fund and would be used for the benefit of the cattle industry at some future date."

Have Lost Confidence

This is reassuring to the producers but they have lost confidence and can you blame them after reviewing the history of the beef situation. They want the U.S. market reopened for their product now—they want to supply the Alaskan theatre of operations with beef from the Edmonton and Calgary areas instead of compelling the Americans to bring beef from as far south as Omaha and Kansas City to serve that war-front.

Cattlemen Want Action

They want action, not promises, for they are beginning to fear that a continuation of government bungling will jeopardize if not lose the southern market for them. In fact, some are of the opinion that that market may even now be lost and read this interpretation into Agriculture Minister Gardiner's announcement in the House of Commons on March 4, 1944, that "Canada has a double opportunity in supplying surplus beef to the United Kingdom at present: to meet urgent needs and to build up a market there for the post-war years." With the first "opportunity" the beef producers have no quarrel, with the second they take bitter exception. They reason that it is better to protect the U.S. market which is the cornerstone of their industry and they also believe a great opportunity will be presented to build up the domestic market.