

*Agricultural Products Board*

at 63 cents, which was the same price. Then we proceeded to check as to what we would have to pay for butter elsewhere and we found that we could buy butter from Sweden and from the Netherlands at within half a cent of what the British paid for that butter. One of the arrangements that we made with them was that they were to make the butter not to suit the British or even to suit their own consumers but to suit us. And we were able to purchase it, in so far as the price in their own country was concerned, at within half a cent more than the British paid for their accustomed type of butter. Then, the freight had to be paid on it to Montreal, and then there was a 12 cent duty to pay on it in addition to that. When that butter got here it was worth about 61 cents a pound. After having paid 12 cents duty on that butter it was still laid down here at 2 cents less than the New Zealand butter. That was our reason of course, and our only reason, for buying butter from the Netherlands and from Sweden. That butter is being put on the market here at the same price as Canadian butter. But that is owing to the fact that it has to be taken out of tubs, remixed, put into cartons and so on. When you get the cost all added there is not a great deal of difference between the price that the farmer is being paid and the amount that this butter costs.

**Mr. Macdonnell (Greenwood):** The minister said that the duty on butter was decreased 2 cents at the time of Geneva, and I understood him to say that it had been unchanged for a considerable time before that. Will the minister make that clear?

**Mr. Gardiner:** I have just forgotten the exact rates on butter prior to 1930. The rates were quite low. For a period there was only 2 cents a pound, and I think even that was reduced if coming from New Zealand or Australia. It was during that period of time that we bought 40 million pounds of butter from New Zealand, which caused the difficulty that the hon. member for Temiscouata was speaking of a few minutes ago. Partly as a result of that, a new government came in, in 1930. They made the duty on butter coming into this country 14 cents a pound. The duty was prohibitive at that time, and in either 1931 or 1933 the New Zealand and the Australian people came over and negotiated an agreement with the government of the day, under which they were to make an arrangement with the government here with regard to the amount that was to be allowed to come in, and on that basis they did receive the right

[Mr. Gardiner.]

to bring butter to Canada by paying a duty of 5 cents, and that has remained from that time down to tonight.

**Mr. Macdonnell (Greenwood):** The point I wanted to make clear is the one that I think the minister has made, namely, that the duty was established early in 1930 and has continued until 1949 unchanged. Is that correct?

**Mr. Gardiner:** That is correct.

**Mr. Macdonnell (Greenwood):** Would the minister bring that to the attention of the hon. member for Temiscouata, please, because he made an argument which I thought was, to put it mildly, a little far-fetched and based upon ignorance of that fact?

**Mr. Pouliot:** It does not destroy my argument; my argument remains the same.

**Mr. Wright:** The minister gave the basis upon which the Agricultural Prices Support Act is operating. He said that the department are taking the years 1943, 1944 and 1945 and are trying to establish a price for agricultural products in line with the cost of production and making a fair relationship with those years. Is that the basis that the department used in establishing the floors under the potatoes in the maritimes?

**Mr. Gardiner:** Well, it is the basis that we considered in figuring a system under which they operate. We looked into all the facts in connection with that, and all these facts were discussed with them. The basis on which it was finally settled was not on the basis of the Agricultural Prices Support Act, however. The basis on which it was settled was that they would organize either under the co-operative act of 1939 or in some manner which would be similar to that in order to have their potatoes handled by a board of their own. The reason we took that position was that we did not think potatoes were a product on which you could apply the principles of the Agricultural Prices Support Act without doing more harm to the potato producers in New Brunswick and Prince Edward Island than good. In other words, any act that is passed today based upon the Agricultural Prices Support Act should deal with the whole Dominion of Canada, not with one or two provinces. If we attempted to deal with them on that basis and put a floor price upon it at so and so I am afraid it would do the potato producers much more harm than good.

We have somewhat the same thing existing in connection with apples. All our dealings