

This, the minister said the other night, was something new just because a Liberal government came in. Now that is not the case. The something new was when the United States passed the Bailey amendment in June, 1936, and put 3 cents a pound against the natural products of Canada, and nothing was done about it. That 3 cents stands there, and our market drags 3 cents behind United States. The normal market being 6 cents, the 3 cents they put against us is equal to 50 per cent. They take away the raw material free, and shut out Canada's finished product; and we depend on cheap products from overseas and let our own natural production, which is ample, go to waste. That economic waste is a matter of concern to all parties, regardless of politics. After many conversations with the Minister of Finance I feel that the matter is in safe hands, and without any political motives whatever, and begging my colleagues to do likewise, I ask that he and his colleague the Minister of Agriculture give consideration not only to the edible fat situation but also the inedible in connection with this national problem.

Mr. DUNNING: In reply I can only say that, as my hon. friend knows, that is precisely what I have asked the tariff board to do, and they are engaged on the job. I do not want to minimize the importance of the problem from my hon. friend's point of view. As I said the other night, I am willing to be shown, and I expect to get information which will at least enable a course to be determined. Whether that course has to do with tariffs I have grave doubts, as I know my hon. friend has. There are many angles to it, and it is being investigated now. More than that I do not think I could say if I continued talking for a long time.

Mr. DAVIDSON: I should like to make one or two observations on this matter. I will identify myself with anything that will assist the producer of dairy products, as I have always done. These figures on vegetable oils were brought to my attention about a year ago, and when I saw the amount of vegetable oils brought into this country and the amount of domestic shortening sold, I came to the conclusion that a lot of the inedible was refined and sold as edible. During the recess I made some personal investigations and was surprised at the amount of shortening being sold in eastern Canada. If this government can do anything to assist the dairy farmer, it is up to them to do it.

The provincial governments have done much to help the dairy farmer. Starting on June 1, 1934, when the dairy commissions or milk

control boards were appointed, the man who had a fluid milk market was fortunate among dairy farmers. The price was increased from about \$1 a hundred pounds until to-day they are getting \$2 a hundred for 3½ per cent milk, and those who go a little higher in butter fat get more, up to about \$2.45. Compare that with the man who is obliged to sell his milk to the butter factory and take 60 to 80 cents a hundred. I have produced this stuff and I know what it costs. The man who produces for the fluid milk market has a little higher cost than the man who sells his milk to the butter factory, but not in the same proportion. The spread is too great.

The dairy commissions of the provinces are being constantly approached by farmers who are compelled to sell to the butter factories, asking them to do something. To such an extent is that true that about a year ago there was a meeting in Toronto of all the dairy commissions across the country to see if they could do anything, and a resolution was sent to this government asking them to do what they could. Our Department of Agriculture is spending hundreds of thousands of dollars to improve the quality and quantity of the dairy products of this country. I am not against that, I am in favour of it. But it would be much easier if we had a market for the dairy products when they are produced. So I ask the Minister of Finance to look into this matter and do something about it. And if he has any money left over when he puts this duty on, let him give it to the Minister of Agriculture who can use it to advantage to help the dairy farmer of this country.

Mr. DUNNING: There are some others as well.

Item agreed to.

Customs tariff—278. Oils, viz: cocoanut, palm and palm kernel, not edible, for manufacturing soap; carbolic or heavy oil: rate of duty, free.

Mr. GARDINER: Last night I agreed to deal with the letter which was referred to by the hon. member for Danforth (Mr. Harris). The letter was dated May 29, which of course is not quite thirteen months ago as was suggested. It is from Mr. Allan C. Fraser, secretary of the National Dairy Council of Canada, and is not too long to read. It expresses the view of the council at that time and indicates what they desired when they wrote to the department. The letter reads:

Ottawa, May 29, 1936.

Dear Mr. Gardiner,—

Re imports of oils into Canada. We are seeking your aid in determining the need for these importations to the extent to which they