

*Supply—Agriculture*

**Mr. Gardiner:** Well, Mr. Chairman, there are two dairy products which come in from New Zealand and Australia about which there has been considerable discussion for many years. One is butter and the other is cheese. In so far as butter is concerned, there was a very high duty put on butter, as members of the official opposition at least know, some years ago, back in 1930; the duty was 14 cents a pound on butter. That, I think, has resulted in preventing butter from coming into the country.

But after some little time—I do not think the change was made right at the beginning—New Zealand and Australia succeeded in getting the duty reduced to 5 cents a pound on butter that came in from those countries, because of the preference; they were part of the commonwealth. Immediately that was done some butter started to move this way. I think what Mr. Bennett did about it back at that time was to put it in bond when it arrived in Vancouver and declare that he was going to leave it there until some arrangement was made with Australia and New Zealand as to the conditions under which it was to be brought in.

There was one of those general understandings which are sometimes called gentlemen's agreements, that butter would not come in here except on permit. Well, the way it was dealt with was to put it in bond and keep it there until an arrangement was entered into. That arrangement was put in writing. The matter of shipping butter here has been pretty well under control, and I do not think any great difficulty has arisen in connection with it.

In so far as cheese is concerned, the duty on cheese coming in has always been low. I have never been able to understand why those who put the duty on butter up to 14 cents did not put it up above 1 cent on cheese. Eventually we did run into difficulties in connection with cheese, and cheese was shipped here under conditions which were not helpful. So we had discussions again with our friends in New Zealand and Australia, with New Zealand in particular, with regard to shipping cheese here.

There was a gentleman's agreement. We had that gentleman's agreement at the end of the war for a time, and the period ran out. There was some cheese shipped in before it was renewed, and it is that cheese that is usually talked about when we are wondering whether or not the agreement is still in existence. There is an understanding between New Zealand and our people here that cheese will only come here if there is a permit issued for it to come. I think it was two

years ago there was a permit issued for a limited amount to come and that limited amount did come.

Some people are inclined to think that is not secure enough, and that perhaps there should be a duty or some other restriction. To be absolutely fair to the Minister of Finance and his budget brought down a few days ago, I would suggest that if you read it carefully you will find he indicated that Australia and New Zealand—

**Mr. Nesbitt:** Australia.

**Mr. Cardiff:** And you will find there is absolutely nothing definite in it.

**Mr. Gardiner:** There is nothing more definite in it than the fact that it indicates there will be negotiations carried on with those two countries.

**Mr. Nesbitt:** No, just Australia.

**Mr. Gardiner:** You will find there will pretty well have to be negotiations carried on with New Zealand too, if negotiations are carried on with Australia. That has always been our experience.

**Mr. Argue:** Now you see it, now you don't.

**Mr. Gardiner:** Negotiations with regard to the whole matter will be carried on—

**Mr. Cardiff:** Until after the election.

**Mr. Gardiner:**—and in the meantime the provisions do exist in connection with both cheese and butter. In connection with butter it is in writing, and so far as cheese is concerned it is an understanding with which we have not experienced any real difficulties. I do not know whether or not that answers my hon. friend's question. Of course there are also other dairy products which will require to be given some attention, and we may have something more to say about them before too long.

**Mr. Nesbitt:** Well, Mr. Chairman, that pretty well answers what I have in mind, but there is just one other thing I am not sure about. The Minister of Agriculture told us that after the war there was a gentleman's agreement with New Zealand concerning the importation of cheese. Then it was discontinued, as I understand it, and since then it has been "recontinued", if I may coin a word.

The gentleman's agreement was apparently discontinued shortly after the war, and then it was renewed fairly recently. Could the minister give us an idea concerning when the new agreement was announced regarding New Zealand cheese? I was not sure from what the minister said when it started.