

Mr. BAKER: Do you not know, as the hon. member for Davenport (Mr. MacNicol) correctly says, that your government had nothing at all to do with it?

Mr. MacNICOL: No more than the man in the moon.

Mr. BAKER: You surely know that.

Mr. GARDINER: I am quite sure my hon. friends thought that we had something to do with the price of butter back in 1930, and I am sure, too, that they had something to do with the price of butter in 1932, and something to do with the very question that has been thrown across the floor of the house on two or three occasions since this debate began.

Mr. BAKER: We rightly protested when you allowed New Zealand butter to fill Canada.

Mr. GARDINER: It has been stated time after time that the members on this side of the house—I was not here and had not the privilege of voting with them—in 1932 voted against the British agreement when they voted for a resolution, introduced by Mr. Coote, connecting up the agreement and the prices obtained then for goods with something that happened in the previous year, when the government of Canada refused to do what almost every other country that traded in farm products with Great Britain did. Those countries tied up their exchange with the British pound sterling, and by doing so in 1931 the Dominion of Canada could have reduced the amount of money required to pay the indebtedness of Canadian farmers. That indebtedness could have been reduced by about 30 per cent if the Canadian government had followed the other countries in that regard. In other words, we should not have required from that time to this the various debt adjustment acts which we have had to pass. They would have been unnecessary if the Canadian government had done exactly what more than twenty other countries did in tying their dollar to Great Britain's pound sterling. But our friends sat by for one whole year after that before they realized the inaction they had done. As a result of their inaction the prices of farm products were driven down to the point indicated by the figures which I have given to the house. They went down year after year until they touched bottom; and when the government were compelled to enter into a trade agreement to revive Canadian trade they based their action, not upon the principle of greater freedom of trade between Canada and Great Britain, but upon the blocking of trade between Great Britain

[Mr. Gardiner.]

and some other countries. That was what was meant by the statement made the other day, that if it had not been for the type of agreement drawn in 1932 we might have been in a position to draw up a different agreement to-day.

Mr. MacNICOL: The minister is rambling all over the lot. Has the government anything to do with the price of scrap iron being \$26 a ton?

Mr. GARDINER: I will leave my hon. friend to deal with that. He speaks for the scrap iron people; I am speaking for the people who produce these particular products. The position is simply this. We have been trading in these products now in what may be called a new spirit with regard to trade, if not under an altogether new policy. We have gone as far as it is possible to go in one new agreement with Great Britain in wiping out the bound articles and in changing the policy that was inflicted upon the whole empire at that time. Probably, when one or two more agreements are made, we shall get back into the position occupied prior to the coming into power of the previous government; and as we advance into that position, more and more Canadian farm products will be sold in different parts of the empire, and Canadian consumers will be able to pay for and consume more of our farm products here.

There are two reasons why vegetable oils are being used here at the present time. One is the fact that they can be put up in convenient packages and placed on the shelf, and they are not so liable to damage as animal products used for a similar purpose. The other reason is this. There has been a great improvement in the production of butter in this country. Everyone knows that the grading policies established by the provincial governments, with the support of the federal government, have resulted in raising the standard of our Canadian butter and cheese; and by raising the standard of our butter we have put more into consumption. There is more butter being used on the tables of the nation, and more being diverted from use as shortening. More and more of our butter is being used for the purpose for which it is intended. Indeed, Canadian butter can now be placed on the tables of people the world over as a product that is second to none, if the best butter produced in our creameries is used. And it brings a better price because of that. Less and less of it is being used as shortening, and more and more as butter; and because it is of better quality our people