

*Agricultural Products Board*

came to the conclusion that it was not necessary for the government of Canada to be dealing in cheese any longer, partly because we did not have the authority under the act to do the things that we did before, but partly because almost altogether under our constitution the provinces have the opportunity of dealing with products and of saying what the price ought to be and what it will be. We therefore encouraged the farmers of Ontario to organize co-operatives. They organized a co-operative. We encouraged them to transfer their activities to Toronto instead of here. They transferred their activities there, and cheese is being handled this year in the province of Ontario by a co-operative board of farmers, or at least by a co-operative board operating for the producers.

The same kind of arrangement is not in operation in Quebec; but both provinces have been selling cheese to Great Britain direct; and I must say that they have received during this last summer the highest price for cheese that has ever been received from Britain at any time in the history of Canada's trading with Britain in cheese. They have had 32 cents a pound. But I must say at the same time that the amount sold was only some 22 million pounds, which is a low amount as compared with some of the sales previously. But that is not because the board would not have been prepared to sell more. It is because that is all there was to sell. They have sold all the cheese that was available to ship to Britain at that price.

In other words, we have been working along with those who are handling the different products and have been assisting as far as we can in the matter of stabilizing prices.

To answer the first question—do we seek to have parity prices?—may I say that I am going to be perfectly candid and say that no one who touches this matter—including myself—likes the word “parity”, and we have never used it. We have stated in the act what we are doing. We have not stated it is parity. We have simply said that we are going to keep a record. We have a record of what the situation was in the last three years of the war. Every farm organization in Canada said that if they could maintain that position throughout time they would be perfectly satisfied. We said that we will retain that position or do everything we can to retain that position just as long as possible.

**Mr. Quelch:** That would be parity with that period.

**Mr. Gardiner:** You can call it parity or whatever you like. There are so many different definitions of parity that we do not use the word “parity”. We have set up what to all intents and purposes is a formula upon which we work, and on that basis we have maintained a position where the price has been all the time upward. It is true that the price of everything that is being bought has also been all the time upward. But before we have set the floor price at all on anything, we have figured out what would likely maintain the level of the price the farmer was going to receive in relation to what we expected he was going to have to pay; and so far we have been fairly fortunate in figuring these matters out and in retaining price levels.

**Mr. Quelch:** Then the intention is to maintain the floor price so that the price of agricultural products today will bear the same relation to the price of other products as the price of agricultural products in 1943 to 1945 bore to the price of other commodities.

**Mr. Gardiner:** That is what we have been working for, yes.

**Mr. MacKenzie:** There is one question I should like to ask the minister with regard to the importation of butter, whether it is done privately or whether it is done by the government. Is the duty always paid on butter that comes from the various countries? What is the duty, say, on butter from New Zealand or from Europe? As a result of paying that duty, and bringing the butter in here and selling it on the market, does it sell at a higher or lower price than the market price here?

**Mr. Gardiner:** The duty on butter coming from New Zealand or Australia is 5 cents a pound. The duty on butter coming from any other country is 12 cents a pound. The old duty, down until a year ago, was 14 cents, as has just been stated to the committee. It was reduced 2 cents at the Geneva conference of three years ago, and so it is now 12 cents a pound.

**Mr. MacKenzie:** Is it always paid?

**Mr. Gardiner:** It is always paid on the butter. For example, using the price which was paid for New Zealand butter, namely, 63 cents, it was 58 cents plus the duty. That is, the price of the butter was 58 cents, and the duty which they had to pay on the butter was 5 cents, making a total of 63 cents. In other words, that butter was bought at what was our floor price, 58 cents, plus the duty. Now, at about the time that that was done we agreed to buy butter from our own producers.