

Mr. MOTHERWELL: The supervision of the manufacture of butter and cheese, broadly speaking, devolves upon the provinces. It is true that we do certain educational work in the way of drawing attention to the advisability of the grading of cream and milk, but we have nothing to do with the supervision of creameries or cheese factories. Our duties bear upon the grading of the article after it is manufactured and the marketing of it, and that is usually done at the warehouses. We did exercise some control under the Agricultural Instruction Act, the grants being made under the condition that a portion of them should be expended in the inspection and grading of cream and milk at factories. Since then we have exercised no control; we have acted only in a consultative capacity or in an educational way. In a word, the grading is federal and the manufacturing provincial.

Mr. LUCAS: As the quality of butter exported reflects on the Dominion as a whole, does the minister not think it would be a good idea if the Dominion would call a conference of the provinces for the purpose of bringing about a uniform system of grading throughout the whole Dominion?

Mr. MOTHERWELL: We have had one or two conferences of that nature, but it is not an easy matter to get some provinces to accept a grading system at all. The three prairie provinces accepted a grading system years ago, Alberta in particular, with the result that the butter made in the prairie provinces has the highest position in the British market of any butter that goes from Canada, excelling even the product of the famous Eastern Townships. It is not because they are better dairymen, but they have adopted the right principle of grading and of paying for milk and cream on a basis of quality, and it is only by paying on a basis of quality under a system of grading that you can possibly get quality in the output of butter. In the older provinces they sell nearly all their make at home, consequently they do not have to go on a foreign market and compete with the world. Their make of butter is suitable to the people in Ontario and Quebec, particularly the salting of it, and as I say, although a small quantity is exported the bulk of it is used in the home market. On the other hand, in the West we had to compete in an outside market and gratify the tastes of those who bought our butter on that market, with the result that our make rapidly assumed the quality demanded. The amount of butter exported from the East is so small that there is not the urge for a system of grading that

[Mr. T. E. Ross.]

there has been in the West. At the last conference we had, both Quebec and Ontario—they have already started it in the Maritime provinces—indicated their intention of embarking upon a provincial policy of the grading of cream and butter. Primarily, therefore, the quality of these goods is dependent on the provincial activities, supplemented by such educational services as we can render.

Mr. ROSS (Simcoe): Are we to admit that the report I have just read regarding butter over there is true?

Mr. MOTHERWELL: Yes.

Mr. ROSS (Simcoe): Has the minister any comment to make on that or any suggestions as to how we can overcome it? We cannot afford to lose that market for our butter.

Mr. MOTHERWELL: I am sorry to have to admit it is true, but it is only by knowing the truth that we can remedy the difficulty, and that is what we are endeavouring to do. I believe we will have to introduce gradually a system of dual factories that will make butter in the winter and cheese in the summer and have a sufficient volume of business to take care of the cream and the milk in proper, up to date fashion by pasteurization. During the last two or three years an act was passed in Toronto providing for the consolidation of any cheese factories that wanted to get together in this way, and I recall that the Hon. Manning Doherty, who was responsible for the act, imitated almost exactly the system that is in effect in Saskatchewan, although he provided for the advance of a larger amount of capital to the consolidated creamery. I think that one or two of these institutions are being organized, although I do not know of any that have actually been organized as yet. Only by doing that can we hope to compete with Australia.

Mr. ROSS (Simcoe): Is it compulsory that our export butter be graded and stamped as to grade before it is exported?

Mr. MOTHERWELL: Yes.

Mr. ROSS (Simcoe): By federal regulation?

Mr. MOTHERWELL: Yes.

Mr. MEIGHEN: What was Mr. Wilson doing when the minister secured his appointment to this travelling task of making markets for our butter?

Mr. MOTHERWELL: I thought I had covered that fairly well in answer to the hon. member for York-Sunbury (Mr. Hanson).