

*Agricultural Products Board*

question I asked when I was speaking before supper with regard to the method the government uses in grading imported butter for the domestic trade?

**Mr. Gardiner:** The arrangement which the government made with countries such as The Netherlands and Sweden was that the butter was to be made in accordance with our specifications. Butter which is produced in countries like Denmark, Sweden and The Netherlands is not produced by the same method as we use to produce butter, the reason being largely that the butter which is produced in European countries can be sold within a short period of time, at the outside within a few weeks. Much of our butter is produced in the summer months to be consumed in the winter months. Based on these facts our method of production is somewhat different from theirs. That was the reason why, when we purchased butter three years ago, there was considerable difficulty experienced in getting rid of it. We purchased the butter these countries produced for their own consumption and it did not keep too well. Our people did not like the flavour of it. On this occasion we insisted on the butter being produced in accordance with our methods, and they have guaranteed to produce it that way. Then, it is graded on much the same basis as our own.

This afternoon the hon. member for Melfort (Mr. Wright) said he would like to know how this butter is being dealt with after it arrives. The basis on which it has been dealt with is this. We say to the Canadian dealer: We are prepared to trade you butter which we have obtained from a European country for butter which was produced in Canada. The butter which was produced in the European country is put on the market almost immediately by the Canadian concern which obtains it, and the government holds the Canadian butter for consumption later in the winter season. Even after having had the butter made according to our standards, we have that safeguard of having Canadian butter to carry over the long winter period rather than butter which was imported from the European countries.

**Mr. Wright:** The grade that actually goes on the domestic market is not the same as the grade which is required of the Canadian producer when he markets his?

**Mr. Gardiner:** The butter is graded on the same basis, and goes on the market on the same basis.

**Mr. Fair:** I wonder if the government has yet given any consideration to building up a formula for the setting of parity prices

[Mr. Wright.]

when the agricultural prices support board undertakes to buy butter? I believe the Canadian Federation of Agriculture has offered to give every assistance and co-operation in working out such a formula.

**Mr. Gardiner:** Mr. Chairman, on one or two occasions while the hon. member for Assiniboia was speaking I was tempted to suggest to him that he was talking about quite a different bill from the one which is before the committee at the present time.

**Mr. Argue:** I had not seen it.

**Mr. Gardiner:** He was really speaking with regard to the Agricultural Prices Support Act, which is a permanent act now. A number of members have suggested that on a previous occasion they had said that this particular type of board should be set up and that it should be made a permanent board. It was not this particular board at all, or this kind of board that was being discussed on those occasions. It was the agricultural prices support board; and it is the agricultural prices support board which establishes any relationship as between some basic period and the present period for prices in connection with farm products.

Just a few moments ago it was stated that there was in existence in the United States a system which was much better than ours. That is a question which has been discussed over the years and it is remarkable that when we get in touch with some of those who are authorities on the system in the United States, we find that they are inclined to state that our system in many respects at least is superior to theirs. As a matter of fact, they sometimes indicate that if they had it to do all over again they would probably deal with the question in much the same way as we have dealt with it. In order to indicate to the hon. member for Assiniboia that the price level in the United States is not as he thinks it is, I would call his attention to the fact that the price of hogs—which has been discussed a great deal in connection with this bill and was also discussed yesterday in the debate on the speech from the throne—was as follows. I do not know that I should read all these figures. Perhaps the house would like to have them put on the record, because they tell a story.

In January of this year the price in Canada for the week of January 6 was \$2.83 a hundred higher in Toronto than in Chicago; the next week the price was \$2.66 higher; the next week it was \$2.40 higher; the next week it was \$2.97 higher; and the next week \$2.64 higher. From there on I will read only the occasional figures. The last week in February the price was \$3.54 higher in Canada. In the first week of March it