

The Budget—Mr. Blair

all been removed. This product replaces whole milk for drinking. In many of the states vegetable oils are allowed to replace natural cream in ice cream mixes. It does not seem fair that Canadian dairymen should have to meet this type of competition. I should like to give you a set of figures which are authentic. I obtained them from the national dairy council, and while there may be some small changes I believe they are correct. The first has to do with the butter production in Canada. The table is as follows:

Total Butter Production in Canada
(000's lbs.)

	Creamery	Dairy	Total
1948	285,629	62,845	348,474
1949	279,805	52,852	332,457
1950	262,500*	50,000*	312,500*

* Estimated.

Mr. Gardiner: Are these figures pounds?

Mr. Blair: These figures are thousands of pounds. Butter production in Canada in 1950 was nearly 36 million pounds lower than in 1948. Now we come to the consumption of creamery butter in Canada. The figures are as follows:

Consumption of Creamery Butter in Canada
(000's lbs.)

1948	305,553
1949	260,034
1950	276,959

Consumption of creamery butter in Canada in 1950 was nearly 30 million pounds lower than 1948. Then I come to figures dealing with farm cash income from dairying in Canada. The table is as follows:

Farm Cash Income from Dairying in Canada

1948	\$386,553,000
1949	350,010,000
1950	(estimated) 323,993,000

That is as close as the figures could be obtained. Farm cash income from dairying in 1950 was \$62.5 million less than in 1948. Then I come to margarine production. The figures are as follows:

Margarine Production

1949	73,958,000 lbs.
1950	94,032,000 lbs.

I wish to remind hon. members that there are two provinces in Canada where the sale of margarine is not permitted. Then I come to margarine consumption. The figures are as follows:

Margarine Consumption

1949	71,946,000 lbs.
1950	93,648,000 lbs.

Consumption of margarine in 1950 increased 21.7 million pounds or 30 per cent over the

1949 total. Now we come to the total production of milk in Canada. The figures are as follows:

Total Production of Milk

million lbs.

1948	16,730
1949	16,789
1950	16,345

That is down 2.7 per cent but it amounts to nearly half a billion pounds. One cannot help but draw certain conclusions from a study of these figures. The effect of foreign vegetable oils on our Canadian economy cannot be considered as an immediate problem alone. The end of it is not in sight. It constitutes a permanent threat to the Canadian dairy industry, and I cannot see that the industry can control this threat until such time as we decide to exercise control over this unfair competition. Consumers and organized labour and its leaders should give consideration to this whole matter of dairy substitutes. It must be conceded that there is an appeal in cheap food in this time of high living costs; yet should we accept the policy of cheap food at any cost? Should we demand cheap food and cheap dairy products at the cost of jobs and unemployment.

One must take the long-term view of this matter. There seems to be an attitude on the part of some people of not wanting to compare the prices of dairy products with those of other commodities. High prices do exist in other commodities, both foods and manufactured goods, and they cause hardship; but dairy products are expected by the public to be sold at levels lower than those of other commodities. We must remember that the 350,000 to 400,000 dairy farmers, together with their families and all the people from whom they buy, consume large quantities of manufactured products. We cannot afford to have the income of that large group of people so reduced that their buying power will be impaired. We frequently hear it said, even by some in the dairy industry itself, that this industry should adjust its prices to meet this type of competition, that is, to meet competition on a price basis and fight vegetable oils in that way. Under present conditions this is utterly impossible. The present mark-up, wholesale and retail, of profits on vegetable oil is five or six times as high as on dairy products. It would be possible for the vegetable oil manufacturers to reduce their prices considerably and still make a profit. If dairy farm producers tried to meet this competition on a price basis their income would be so reduced that within a few months we would have serious unemployment in that industry. Under present conditions the producers of milk and cream, as