up of twenty-four members, of whom twenty-two are cheese producers. The average production per cow in the twenty-four herds which average eighteen cows each was 7,675 pounds of milk. This accounted for those cows which were milked for ten months or longer. The average total revenue from milk was $3,052, while the cost of production totalled $3,199. The average cost of producing one hundred pounds of milk was $2.83. Dr. Patterson stated that the results showed that labour and feed costs made up from 75 to 80 per cent of the total cost of producing milk. The average man-hours required to produce a pound of butter was 0·4 hours.

In this survey by Dr. Patterson he allowed the farmer 50 cents an hour for his work. This is less than what the most unskilled labour any place in Canada would receive. He pointed out one peculiar fact which came to light in his survey. That is the amount of pasture which was available. This shows that all the pastures are not being utilized for dairy purposes, or even for the purpose of raising stock, when there is so much land available for it.

I come now to the matter of competition from other products affecting the dairy industry, and I refer especially to margarine. Let there be no misunderstanding. I am not unaware of the high prices paid by consumers for foodstuffs in Canada, nor do I blame any householder for purchasing margarine as a substitute. In view of the high price of butter you cannot blame the householder for buying margarine. I admit the food value of margarine as a spread under these conditions. Any criticism of this dairy substitute is apt to draw a barrage of words by way of letters to newspapers and editorials with the usual remark—

Mr. Harris (Danforth): It should carry a tax.

Mr. Blair: —namely, why should the Canadian people be deprived of this nutritious product? Very few of these people have any knowledge of or experience in the dairy industry. They seem totally unaware that the industry provides work for two million people. I am also aware of the fact that Canadian farmers are purchasing margarine. It is not my intention to enter into any argument regarding this product as a food, but rather from the economic standpoint. The vegetable oils used in the main products which are replacing Canadian dairy products—

Mr. Cruickshank: And whale oil.

Mr. Blair: —are almost entirely of foreign origin. The water—and I learned that water forms a substantial part of some of these products—and the salt are Canadian. It is also true that we might be able to build up a Canadian-produced oil industry from soya beans, rape seed or sunflower seed, but we know what it costs to produce oil this way. Few farmers would be foolish enough today to turn over a large acreage to these products, and at the same time have hanging over their heads the constant threat of further price reductions in foreign and more cheaply produced vegetable oils.

We must remember that the duty on edible oils produced within the empire was reduced from 13 per cent to nil about a year ago, and this is not the end. An application before the tariff board to hear an appeal launched by Canada Packers against a ruling of the Department of National Revenue has been postponed. That hearing was to be held on the 12th of March. The hearing concerns the fact that processed cotton oil and soya bean oil shipped in mixed loads in tank cars are dutiable at 20 per cent ad valorem but raw oils are subject to 10 per cent a ton. As I said, the hearing has been postponed, but it would indicate that the manufacturers of margarine are not willing to process these oils in Canada and want to bring them in already refined.

At the time parliament removed the duty on edible oils coming from empire countries there was little reaction from the dairy industry. At that time margarine was made from cottonseed and soya bean oils imported from the United States but in the last nine months of 1950, according to reports of the dominion bureau of statistics, over five and a half million pounds of coconut oil used in margarine were imported. In 1939 this type of oil could be purchased for 6·1 cents per pound.

Kreamy Wip is a new product being produced in Canada which is sold largely to the baking trade. It has a vegetable oil base, with possibly some skim milk or skim milk powder added, but no natural cream. This product has replaced hundreds of thousands of quarts of medium cream yearly, and for some dairies that means quite a high percentage of all the cream formerly sold. The product is being used by the baking trade to replace whipped cream used in such things as cream puffs, topping for pies, cakes, et cetera. This means another big market has been lost for milk producers. The oil product sells at a little more than half the price of natural cream.

In a few cities in the United States they allow a product to be sold today that resembles milk and is sold to replace it, but which is actually only skim milk fortified with vegetable oils to replace the cream which has