

government to endeavour to find some way out, either by restricting imports or by restricting the manufacture and distribution of the products.

While the importations may not have been so greatly increased from 1930 on, it is, I think, agreed that in the two years ending 1934 the increase was very sharp. It is in these recent years that the intensive advertising program of the manufacturers and vendors of these products has taken place.

My information is that the manufacturers and packing companies manufacturing this product, are in spite of huge advertising appropriations, making very substantial profits out of the product, indicating that the original cost is small. I do not contend, generally speaking, that because a food product is cheap, it is undesirable, but I do suggest that this is very often the case, and I think it rather obvious that these products are not only taking the place of butter, but to some extent are taking the place of lard—good lard—the exports of which amounted to some 18,000,000 pounds last year.

It is our further contention that the virtues of vitamin content and digestibility in these manufactured products is more "assertive" than real, and that the health of the community would not suffer one bit by the curtailment of the use of these products.

My own early childhood was spent on a Manitoba farm where no such substitutes were used and many of my forebears still living well past the four score years have never, in their own household, used anything but animal fat.

We trust it will be possible to find some way of reducing the manufacture and distribution of the products in question so that our own natural product—butter—will find its rightful place on our Canadian tables, and the problem of the exportable surplus minimized thereby if not completely solved.

I replied to Mr. Fraser under date of June 25, in these words:

Dear Mr. Fraser:

With further reference to your letter dealing with vegetable oils, I may say that I think your comment on the effect of advertising suggests a way in which we could improve the position of live stock products.

It is very apparent to anyone travelling through this country that we are not making the most of the market which is available for such products as butter and cheese, and some others that I could name. Everywhere you go there is a sign advertising something which is a substitute, but very little advertising of the products in which those of us who are on farms are interested primarily.

You will perhaps have noticed that I had an item of \$300,000 placed in the supplementary estimates for the purpose of promoting the sale of farm products.

I am going to England on the 11th July for the purpose of seeing at first hand what is being done by some of our competitors in that market. I hope after I come back to be able to take some definite action towards promotion and sale of farm products in the home market as well as in the British market.

After my return, and before deciding upon our line of action I hope to have an opportunity of discussing the matter with you.

In reply I had this letter from Mr. Fraser, dated June 26:

Dear Mr. Gardiner:

Many thanks for your letter of the 25th instant. This is a very encouraging letter, and I would greatly appreciate the opportunity of discussing the whole situation with you on your return.

Meantime, for your information I enclose a copy of a telegram which I have to-day sent out to the secretaries of the various creamery associations in the west.

Yours faithfully,

A. C. Fraser.

That telegram has to do with the advisability of meeting market requirements for butter in the old country. That is the correspondence, and I have read it in order to bear out what was said by the Minister of Finance yesterday, that as a matter of fact, as far as the correspondence reveals, there was no pressure brought to bear upon the government to take any particular action in connection with this matter, at least no action related to the British trade agreement, before we went overseas.

Mr. HARRIS: There is just that one little sentence which says "through you to the government."

Mr. GARDINER: Yes; the Minister of Finance will agree with me that the substance of these letters has been submitted to the government. The representations spoken of yesterday or last night are not altogether in line with the representations in these letters. Mr. Fraser, as secretary of the dairy council, was apparently quite satisfied with the correspondence which took place and with the proposals which we made in order to assist in the marketing of the farm products, which have been so much emphasized in the discussions we have been having.

May I add that in searching through the files to find out whether there was any other correspondence to which reference might have been made, I did gather considerable information as to the whole matter. I find that the last letter written emphasizing the question, previous to the letter I have just read, was written in March, 1932, and addressed to the previous Minister of Agriculture. That letter contained reference to the representations of some twenty packing houses and representations made by the United Farmers of Ontario with regard to the inclusion of the arrangements then proposed in the agreement of 1932.

That is, previous to bringing together those who were going to meet at that conference, apparently there had been considerable discussion on the question, and considerable