

tions, but will not send its inspectors up here to make inspections. Therefore even if a farmer up here was willing to comply in every way with the New York State regulations he still would not benefit thereby.

Hon. Mr. PIRIE: Then it would not make any difference if the duty were taken off milk and cream entirely?

Mr. DEUTSCH: Not as long as these sanitary regulations remain in force.

Hon. Mr. ROBERTSON: Honourable senators will realize that at the moment the fact that no cream or milk is being shipped from here to the United States is not due to the American tariff or to quotas or any state regulations, because the export of products of the dairy industry, in common with those of all other agricultural industries, is prohibited by the Canadian government. Dr. Derby, Chief of the Dairy Products Marketing and Merchandising, Department of Agriculture, told me he thought there was a disposition on the part of authorities in the United States to be more willing to accept in future the certificates of Canadian sanitary inspectors. I do not know whether he meant that there was this disposition on the part of the federal or of the state authorities, nor do I know whether he was referring to inspections by our federal or provincial inspectors. I have a note that Dr. Richards, Economist, of the Department of Agriculture, is present and could speak on this, if honourable members so desire.

Hon. Mr. BURCHILL: I think we should hear from Dr. Richards.

The ACTING CHAIRMAN: Dr. Richards, is there any statement that you would care to make?

Dr. A. E. RICHARDS, Economist, Department of Agriculture: Mr. Chairman, I have not much to add to what has already been given to the committee. I am not a dairy specialist, but this morning I did have a chance for a brief discussion with Mr. Singleton, Chief of the Dairy Products Division in our department. He said that before the Hawley-Smoot tariff became effective there was a working arrangement between United States authorities and our Health of Animals Branch whereby certificates of Health of Animals Inspectors in eastern Canada were accepted by the New York State authorities. He felt that it was the Hawley-Smoot tariff that really ended our exports. But I understand that since then inspection requirements in the United States have become more stringent, but they are directed as much against western states as against eastern Canada, because of course New York State used to draw its milk supply from as far west as Wisconsin.

Hon. Mr. ROBERTSON: Was the dairyman right who said to me that, regardless of the tariff, he could sell his milk in the United States today if it were not for the Canadian government's prohibition against export?

Dr. RICHARDS: Yes, I should say he is right on that. The price paid for fluid milk in the New York milk shed today—I am quoting from memory—is around \$5 per hundredweight, whereas our price just above the border and in the Eastern Townships is \$3.50. So a dairyman in those regions could pay the transportation charges and the duty and still compete in the New York milk shed.

Hon. Mr. ROBERTSON: If there were no sanitary restrictions?

Dr. RICHARDS: If there were no restrictions on exports and no sanitary regulations.

Hon. Mr. HUGESSEN: The Boston market was pretty important, was it not? Is that part of the New York milk shed?

Dr. RICHARDS: That was, I believe, a more important market for fluid milk than the New York market.

Hon. Mr. ROBERTSON: It was the Boston market that this dairyman was talking about.