

are made and the class of industry making the importation, and the tariff which they pay, if any.

The matter is of serious concern to our industry in that it appears that these imports are competing with butter produced in Canada at a time when exportable surpluses are increasing.

The manufacture and sales of oleomargarine is prohibited by law in Canada and it is well for our industry that such is the case. This is best illustrated by the increased manufacture of oleomargarine in the United States, which country now produces as much oleomargarine as we in Canada produce butter. It occurs to us that while the manufacture and sale of oleomargarine is prohibited here, the law is being made less effective by the manufacture and sale of these foreign oils in the form herein indicated.

The facts, as nearly as we can determine them, are as follows:

We import (in round figures)—

Cocoa nut oil, edible, 498,000 pounds.

Cotton seed oil, edible, 377,000 pounds.

Olive oil, edible, 3,918,000 pounds.

Peanut oil, edible, 330,000 pounds.

Soya bean oil, edible, 1,365,000 pounds.

Peanut oil (crude, for refining for edible purposes), 52,000,000 pounds.

Cocoa nut oil (not edible, for the manufacture of refined cocoa nut oil), 8,529,000 pounds.

Cotton seed oil (crude, for the manufacture of refined cotton seed oil), 20,276,000 pounds.

The total of these importations is 87,831,000 pounds with a value in excess of \$5,000,000. The figures quoted are for 1935.

In addition to the foregoing there would appear to be certain lard compounds imported, amounting to about 1,700,000 pounds.

The slaughtering and meat packing industry produced and sold in Canada shortening containing no animal fat to the amount of 58,640,000 pounds. They produced cotton seed oil, refined, to the amount of 3,155,000 pounds and certain vegetable oils, 4,700,000 pounds.

Miscellaneous food industries produced shortening containing no animal fat to the amount of 22,575,000 pounds, and refined oil, 7,434,000 pounds.

Summarizing the foregoing: there is produced and sold in Canada 81,215,000 pounds of shortening containing no animal fat and it is suggested (and we believe it a fact), that this production is made largely from the imports referred to above. We think this is a reasonable conclusion in that our information indicates that the packing industry is making the larger part of these imports and they are the ones putting on to our Canadian market these various shortening products. You are in a better position to confirm this than I am; as a matter of fact, I have no facilities for going farther than I have gone and I hardly know where to go from here or what specifically to ask you for. I am hoping, however, if you can and will confirm these figures substantially, that we may be able to discuss the matter profitably with you and work out some plan for minimizing these imports so as to improve the domestic market for our own production of butter fat. If ways and means can be found for utilizing butter fat in place of these imported products, the problem of our exportable surpluses will be solved.

[Mr. Gardiner.]

As evidence of the menacing aspect of the situation, the production of (what we call) these fat substitutes has increased by 24,000,000 pounds in two years.

The picture suggests another problem and that is the actual food value of these commodities. My impression is that they are without such value or at least that there is sufficient doubt about it to warrant some investigation by the department interested in the administration of our food laws.

Yours faithfully,

A. C. Fraser,

Secretary-Manager.

It will be noted that this letter was written in order to obtain certain information from the department with regard to figures that apparently had been submitted to Mr. Fraser. I immediately took the matter up with the department and sent a memorandum to Doctor Barton, asking him to have this matter investigated and to give me any information available. After receiving the information I replied to that letter under date of June 17, 1936, as follows:

Mr. A. C. Fraser,  
Secretary-Manager,  
National Dairy Council of Canada,  
Journal Building, Queen street,  
Ottawa.

Dear Mr. Fraser:

I have your letter of May 29th, with reference to the importation of vegetable oils for shortening purposes, in which you point out that there was produced and sold in Canada 81,215,000 pounds of shortening containing no animal fat. It is true that this represents an increase, as you suggest, but according to further information I have received the total importation in 1930 was 74,855,227 pounds of vegetable oils, so that, over the period of years, the increase is not so striking as would appear, when compared with 1932.

As you are, no doubt, aware, the popularity of these products with housewives generally, rural as well as urban, would make the curtailment of their use very difficult. It is true that packing plants supply the larger part of these products but a substantial amount comes from other industries as well.

As to comparative food values, I understand that this is quite an involved question and determination is exceedingly difficult to make. However, I am informed that information available would indicate that the chief differences are in vitamin content and digestibility.

In reply I had a letter from Mr. Fraser dated June 22, 1936, as follows:

Importation of Vegetable Oils

Dear Mr. Gardiner:

In reference to your letter of the 17th instant, I fully appreciate the difficulties of the situation and wish that I could make some concrete suggestion as to a remedy.

The situation, however, is assuming proportions alarming to our industry, and we can only appeal to you and through you to the