

*Supply—Agriculture*

consumer cannot buy goods. That is the reason there is so little trade in the world, and the only way to remedy the condition is to find means of reducing, not increasing, production costs.

Mr. MALCOLM: I wish to say a few words to the minister by way of assistance, rather than criticism. I believe that the remarks of the hon. member for Weyburn to which we have just listened appeal to the common sense of most men in this house who are interested in agriculture. One board exists in Canada for the assistance of agriculture, and I believe it stands out as probably the greatest assistance to any branch of agriculture in any country in the world; I speak of the Board of Grain Commissioners. Canada is producing the finest grade of wheat in the world, and is marketing it under the very best system obtaining in any country. This parliament votes money yearly for the services rendered by the Canada Wheat Board in weighing, grading and inspecting Canadian grain. Our grain is accepted on the markets of the world on the certificates issued by the inspectors of the Board of Grain Commissioners. The wheat growers of the Dominion of Canada pay all the costs of this service; the people of Canada are not taxed. Payment for this service comes out of the money received for the grain. Therefore we may point to the Board of Grain Commissioners and say that it renders to one branch of agriculture a distinct service without any direct cost to the rest of the dominion. Under this system Canada's grain moves freely, in fact more freely than the grain of any other country.

In dealing with a commodity such as butter, the minister has to consider not only one, but all the products of milk. Milk may be consumed in its fresh state; in the form of butter; in the form of cheese or in the form of condensed milk, the preparation of which has become a very extensive industry. I want to warn the minister that the Patterson scheme in Australia has not done for the butter producers of that country all that it was expected to do. Particularly, it has not done for the farmers of Australia what was expected of it. I warn the minister against the representations of those hiding behind farmer's interests. I warn him against the representations of the dairy people, because I have grave doubts that if a tax were put on all domestic butter in order to bonus export, that the bonus would not pass into the hands of the dairy industry and not back into the hands of the farmers.

[Mr. Young.]

Just a word to the minister with regard to butter. He knows perfectly well that Canada's production of butter in all its forms runs about 300,000,000 pounds annually. He knows, further, that a few years ago we were short of butter and were on an import basis. At that time butter prices in Canada were very much higher than they were in Great Britain. We were compelled to import butter or to use more of our milk for the manufacture of butter. A very considerable quantity of milk was consumed in its fresh form, a large quantity was used in the production of cheese, and much in the production of condensed milk. The fact is that during the period of prosperity Canada's consumption of butter went as high as 35 pounds per capita, five pounds more than per capita production. To-day, due to the lack of consuming power, it is down to 21 pounds per capita. My hon. friend from Weyburn is quite right when he says the interests of the consumer are naturally the interests of the producer, because when consumption is high, production is high. Now with regard to the Patterson scheme in Australia—which I have no doubt someone is pressing the minister to inaugurate—this country does not permit dumping and ruled against Australian butter. Did Australia benefit in the British market with her butter, did the Patterson scheme help her? No. New Zealand and Denmark met the very low price at which Australia was exporting her butter resulting from the bonus payment. I doubt very much if the price was not driven down two or three cents on the British market by virtue of the Patterson scheme. If the minister goes into the business of bonusing the export of butter he will certainly have to consider bonusing the export of cheese and condensed milk, even though he does not extend the scheme to other branches of industry. Any plan he can work out comparable to the Canada Grain Act which will help to educate our farmers to produce the class of commodities for sale on the foreign market and to market our products under a brand or a certificate, every hon. gentleman in this house should support; but when the minister considers actually taxing the people of Canada for the benefit of export, he is entering a field to which there is no end not only in Canada, but among the other nations of the world. In other words, Mr. Chairman, it is a game we all can play at, and I doubt very much whether the minister will not get himself into a whirlpool from which he will never be able to withdraw.