

It was suggested, accordingly, that a floor price be fixed at \$1.15 per 100 lbs. on the farm, effective April 1st, 1949; this price to apply in the car lot shipping areas, i.e., Prince Edward Island and specified counties in New Brunswick. Payment would be made only on the basis of inspection by Department of Agriculture officials on or after that date certifying grade and quantity on hand.

The proposed floor price was about the same as that in effect two years previously. Taking into consideration general cost and price increases since that time, it could be considered low. It would be slightly below the expected U.S. price support level for 1949.

A necessary part of this proposal would be the imposition of export control as a basis for agreement with the United States.

Should this programme be approved, it would be discussed with U.S. authorities with a view to preventing U.S. action to exclude Canadian potatoes from the U.S. market. Unless agreement could be reached with the United States on this point, the whole situation would have to be reconsidered.

An explanatory memorandum was circulated.

(Department of Agriculture memorandum, undated - Cabinet Document 794).

14. The Cabinet, after discussion, approved, as a basis for discussion with U.S. authorities, the proposals of the Minister of Agriculture for a price support programme for potatoes, it being understood that, should agreement be reached respecting continued export to the United States, Orders in Council would be passed establishing export control and authorizing price support in the terms proposed.

P.F.R.A.; St. Mary River irrigation development; contracts

15. The Minister of Agriculture, referring to discussion at the meeting of July 8th, reported that further exploration had been made of the situation respecting completion of the second tunnel for the P.F.R.A. St. Mary River project.

Additional bids had been obtained from various contractors none of whom were able to construct the second tunnel without substantial additional cost.

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