

America Act for which the great bulk of the Canadian people long, such as an amendment which will permit contributory old age pensions, an amendment which will permit national health insurance, or an amendment which will permit national control of labour legislation; but apparently no difficulty is anticipated in securing an amendment to the British North America Act which, though shaking confederation, will please the dairy industry.

If such an amendment is obtained it will have to be one of two kinds. Either it will have specifically to mention margarine and the boundaries of Newfoundland, in which case we shall debase our national constitution by the mention of one trivial article of commerce which is singled out for discriminatory treatment, or it will have to be a general amendment permitting other provinces to impose bans. So shortly we may have Ontario banning British Columbia apples, British Columbia banning Alberta coal, Nova Scotia banning Prince Edward Island potatoes, thus breaking down the economic heart of confederation. Such however, is the power of the butter industry in this country.

Now getting away from the principles behind this ban, or rather the lack of principles behind it, let me turn now and look at the various groups involved. Who are against margarine? Just one group: the dairy interests of Canada; and for just one reason: they feel that the sale of margarine will affect their pocketbooks. One reason, a purely selfish one, is behind this ban. They, of course, expand this reason into a much bigger sphere. They say it is more than that. They say the sale of margarine would depress the sale and price of butter. They say butter is the cornerstone of our dairy industry, so that it will depress the dairy industry. Then they say the dairy industry is the cornerstone of our agriculture, so that it will depress agriculture; and agriculture is the cornerstone of Canadian industry, so the eventual result of the lifting of the ban on margarine will be a national depression.

Mr. CASE: That is right.

Mr. SINCLAIR: My hon. friend across the way is quite familiar with ballads and poetry. I say that is exactly the same type of logic which traced the loss of a great battle back to the loss of a horseshoe nail. The same argument, of course, was used by the proponents of the cotton law of the eighteenth century, except that then it was wool and linen which were the cornerstone of British industry. It was used again by the champions of the corn laws in the nineteenth century,

[Mr. Sinclair.]

though this time grain was the cornerstone. Both predicted national ruin unless those bans were maintained.

History shows how false were their assertions; and history today shows that the assertion of the butter industry that this must ruin Canada is equally false. The history of every other country in the world shows that the introduction of margarine has not debased the dairy industry or agriculture as a whole but has helped the dairy industry. Both countries with butter for export, like New Zealand, Holland or Denmark, and those which like Canada are in short supply, such as Newfoundland, the United Kingdom, the United States, Norway and South Africa, have found this to be so, for all today, with margarine, have healthy dairy industries.

The thing about this that interests me very much is the fact that for years we have witnessed crocodile tears on the part of the dairy industry about the money they lost on butter. They were always losing money on butter. If butter was such a money loser one would think the dairy industry would welcome a chance to get rid of this loss leader by the importation and manufacture of margarine, letting margarine take that loss and leaving the dairy industry free to go into the more lucrative field of the production of milk, ice-cream and cheese.

What is the truth of the matter? The truth is that the sale of oleomargarine in Canada would have very very little effect upon butter sales or butter prices. In the United States, for example, butter sells at about a dollar a pound and margarine at from thirty-five to forty-five cents a pound. The great sale of oleomargarine is to people who today are either not buying butter because they cannot afford it or not buying all the butter they would like.

More than that, the manufacture of oleomargarine is naturally complementary to butter making, since it uses the skim milk which is a by-product of butter. More than that, the dairy industry gains from the oleomargarine manufacture, because there is more oil cake which comes as a by-product of the increased production of vegetable oils which will be necessary. The records of Canada also show that, because between 1917 and 1923, when we had oleomargarine, butter production and consumption in Canada gained each year.

I turn then to their second defence, the argument of protection. I shall deal with that at the close of my speech.

The next argument which we hear so often repeated is that we could not have any oleo-