

*Supply—Agriculture*

fluid milk of \$5.29 per hundred and the surplus price runs in the range of \$2.41 on Toronto market. This means that on the Toronto market in August the average milk price for whole milk was \$5.14 and the secondary price \$2.41, making an over-all price of \$4.08. Thus, many of the fluid milk producers have a large surplus which is paid for at the secondary price, a price which is too low to cover the cost of most of the producers. This milk is sent to cheese factories, to the condensed milk plants and so on, where its presence is reflected in a surplus in those commodities and chaotic conditions in that field. The article says:

Last month, Mr. Hamilton indicated that he was not satisfied with the results of the butter policy. He said further steps would have to be taken and hinted, broadly, that close co-operation of producer organizations and federal and provincial governments, each working to their own areas of responsibility, would be required.

I am reading from the *Ontario Milk Producer* of September, 1962. To continue:

This month, the minister bluntly told Ontario and Quebec producers that they must reduce their output or face reductions in support prices.

A considerable number of producers appear willing to gamble that the minister will not implement his threat. They argue that, in view of the ticklish balance of political power in Ottawa, the minister would not dare take such action because of political implications. It is further suggested that the present government may not be in power for any extended period. Justification for this thought has weakened considerably during the past few weeks.

However, be that as it may, these are facts which support the argument that no minister, or no government can justify a continuance of the present dairy policy.

The government has purchased more than 70 million pounds of butter under present policy. The cost to the government is 12 cents per pound, for subsidy, plus 12 cents per month, per 56 pound box, for storage. The processing of butter into butter oil, on the basis of the U.S. costs, is about 4.67 cents per pound. The consumption of butter has increased by some 15 per cent. However, more than a million and a half pounds per month of this increase has gone into the ice cream, baking and confectionery trade. The production of butter has continued to increase. An estimated 25 to 35 million pounds will be added to the stockpile this year.

This, to me, is a clear indication that what we told the minister a year ago, namely that he could not increase the consumption of butter in this country as a result of the type of subsidy he was using, has been amply borne out by events. I will read on:

The government has also purchased nearly 30 million pounds of skim milk powder at 8½ and 8¼ cents per pound. It pays a subsidy of about 4 cents a pound on evaporated milk and whole milk powder for export. It also assists the cheese industry. It pays a subsidy of 25 cents for every 100 pounds of manufactured milk, other than surplus fluid.

The cost of the program to the government on the basis of the year's operation, will run to between \$60 and \$70 million. And what have been the

results? Increasing stocks of butter, increasing production of milk, heavy stocks of powder, despite a lower production this year, continuing low prices for manufacturing milk and very little headway by Ontario and Quebec producers in creating the machinery to help themselves. The only favourable result is a small and insufficient increase in butter consumption.

The question which must be answered is this: can any government, Liberal, Conservative, New Democratic party or Social Credit continue such expenditures with Ontario and Quebec receiving 70 per cent to 80 per cent of it, and yet leave the situation showing little or no improvement, and in some respects, worse?

**The Deputy Chairman:** I am sorry to interrupt the hon. member but his time has expired.

**Mr. Pickersgill:** I should like to exercise my right under the rules, not to speak but to correct a misstatement made about my party by the hon. gentleman who has just completed his speech. He said my hon. friend from Durham had misstated the Liberal policy on marketing. I should like to read the policy as set out in the Liberal program and the hon. member can then see that the hon. member for Durham set it out correctly.

**Mr. Peters:** You voted against it; that is what I said.

**Mr. Pickersgill:** I will read what the policy is:

In conjunction with the provinces, a new Liberal government will be ready to provide the framework for farmers to operate, if they wish, either co-operatives or producing marketing boards on a national basis.

That is precisely what my hon. friend from Durham said. Incidentally, I was surprised to hear the hon. gentleman say that farming was synonymous with wheat in western Canada. As one who was brought up on a dairy farm in Manitoba I may say that the dairy farmers, the cattle raisers and all those who manage mixed farms in western Canada are not going to think much of the hon. member's knowledge of western agriculture.

**Mr. Peters:** I made the statement that the party to which the hon. member belongs voted against marketing legislation last year.

**Mr. Pickersgill:** That is untrue.

**Mr. Peters:** On a question of privilege, I myself moved the motion and all the parties in the house voted against it except my own.

**Mr. Pickersgill:** That statement is untrue. The hon. gentleman moved an amendment—

**Mr. Jones:** On a point of order. Surely, the chairman should say who should have the floor.

**Mr. Pickersgill:** I am speaking on a question of privilege.