

*Milk Price Reduction in Quebec*

present level. Anyone familiar with the farming scene knows that in order to do that the government must reach agreements with the provinces that have milk marketing boards, since fluid milk is controlled by those boards. How good these arrangements are is going to depend to a very great degree on the types of agreements the Minister of Agriculture (Mr. Whelan) makes with the various provinces. We suggest that as a minimum these agreements must include a provision making them valid for at least one year and they must take into account the increasing cost of production that every milk producer in the provinces of Canada is facing.

In this regard the minister says that the difference between the five cents per quart federal subsidy and the four cents per quart roll-back in price will be used by the provincial authorities to cover, in part at least, cost increases for the next year. I think the question arises, who is going to carry the rest of the cost?

In the agreements that the minister negotiates with other provinces it had better be made clear that the federal government will carry those increased costs. It would be absolutely unfair if the Minister of Agriculture, in attempting to ensure to the Canadian consumer a reasonable price for milk, in any way unloaded some of the cost of subsidization on provincial administrations. That is not and should not be their responsibility. In all future negotiations this should be a prime responsibility of the federal government.

I say again that my party believes this kind of approach must be taken in respect of essential foods. We believe the prime responsibility of the Food Prices Review Board must be to make recommendations to the House and the government regarding the means by which we can protect the consumer against unreasonable price increases.

[Translation]

**Mr. Adrien Lambert (Bellechasse):** Mr. Speaker, I want to thank the Minister of Agriculture (Mr. Whelan) for having sent us a copy of his statement in French and in English and I commend him for this. What I recognize as not so valuable is the fact of going through it after the opening of this sitting. This did not leave me enough time to consider its content.

However, Mr. Speaker, I want to say that, at the Department of Agriculture, they are more conscious of the fact that the rights of dairy producers must be recognized, that some production costs are increasing and that if we want enough dairy producers to remain in business in order to supply all people, it is time to ensure that they may get an income enabling them to stay in business.

I welcome the fact that the new policy coincides precisely with the philosophy which we have often propounded in this House, that on the one hand producers should be assured of prices related to the cost of production, plus a profit margin allowing them to live decently, and that on the other hand the paying capacity of consumers has to be taken into account. We were advocating a compensated discount on Canadian products to enable consumers to buy them at a lower price and producers to make a greater profit.

Now on August 22, 1973, the Quebec producers of whole milk presented a petition to the Quebec Agricultural Mar-

[Mr. Gleave.]

keting Board requesting an increase of \$1.25 per hundredweight in the price of whole milk. The board gave a decision, an order was published, and producers benefited from an increase of \$1.05 per hundredweight, but consumers, due to the present system, had to pay three cents more. As everyone must know that there are 40 quarts of milk in 100 pounds, this would mean an increase of \$1.20 per hundredweight for the consumer. The distributor of whole milk therefore automatically gets an increase of 15 cents per hundredweight without any effort on his part. He receives this increase thanks to the work of milk producers.

Last week, the Prime Minister (Mr. Trudeau) announced a new policy stipulating payment of a discount of five cents per quart of milk, in order to grant a price reduction to the consumer while recognizing that the producer needs more. If my figures are correct, this means that from now on milk will cost Quebec consumers 34 cents a quart. This means that in addition to the 15 cents that the milk distributors will receive according to the order issued by the Agricultural Marketing Board, they will get another one cent a quart, which surplus should normally go directly to the consumer so that he may benefit from the five-cent increase.

And so, I must say to the Minister of Agriculture that with this new policy we are embarking on a new course. Milk was a start; I trust this will continue with other foods. I merely wish to add this: The situation must be watched closely to see that the consumer is really protected, that he really benefits from the efforts the federal government is now making to reduce food prices. If this is not done, and if no one is specially assigned to this task, we will discover, at some point or other, that there are still "bloodsuckers" who take advantage of those subsidies intended for the consumers and who will rob them of that help.

I congratulate the minister on his statement. He is on the right track, and I hope we will continue in that direction to finally solve the problem of food prices. I hope the Food Prices Review Board will follow the example of that policy and do its duty, so that in the case of all food products we can at long last be assured there will not be thieves who speculate on food prices to the detriment of the consumers and primary producers.

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● (1420)

[English]

## FOOD PRICES

### SECOND REPORT OF SPECIAL COMMITTEE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

**Mr. B. Keith Penner (Thunder Bay):** Mr. Speaker, pursuant to Standing Order 43 I wish to propose a motion of urgent and pressing necessity arising from the publication this morning by Statistics Canada of the consumer price index for the month of August—

**Some hon. Members:** Oh, oh!