

*Inquiries of the Ministry*

[English]

**ORAL QUESTION PERIOD****INDUSTRY****TEXTILES—APPLICATION OF UNITED KINGDOM TARIFF**

On the other hand, I think that many will be surprised because they expected an increase in the subsidies but the department decided not to grant any. It certainly has its reasons for doing so, because if we consider the situation as a whole, we notice that in the last few years due to livestock diseases, in Quebec in particular—indeed my knowledge extends mainly to the Quebec dairy industry—and because also of the decrease in milk production due to bad weather, we have not enjoyed our usual prosperity.

We have produced about 18,350 million pounds of milk a year for the past two or three years. But last year, our dairy output increased by 1 per cent and, as the farmers who had to slaughter their cattle get back on the market, we expect a new increase of 1 to 1½ per cent.

In my opinion, those responsible for the Canadian Dairy Commission will have a lot to do. I think their problems are not over. I must congratulate these responsible people and in particular two of them, Messrs. Williams and Thibodeau, with whom we communicate often by letters or otherwise. They do their best but I think that difficulties do not occur at that level; in our areas, they are probably due to a poor distribution of the subsidies.

As was mentioned by hon. members who spoke before me, we tend increasingly to encourage the large producer, the farm industrialist, and we neglect those who tomorrow will enable agriculture to make progress.

When I refer to the small producer, I think of two kinds of producers. The small producer who is starting out, the young one, and the one who had bad luck in previous years, and is getting back to a normal production.

Unless the Commission or the department make an effort in 1969 to give greater encouragement to our small producers, I am afraid we will miss the boat. In our areas especially, there is another problem: a national subsidy is used as a basis instead of a regional one. Indeed, as long as there is a national subsidy, the problem will not be solved in my area.

Even if \$1.25 was granted, the price the processor pays could not be controlled. If the processor in Quebec pays 20 or 25¢ more than the processor in Ontario, he is being treated unfairly.

In short, I merely point out the situation to the minister. As long as subsidies are not regional, there will be injustice.

**Mr. G. W. Baldwin (Peace River):** Mr. Speaker, in the absence of the ministers who are involved, I should like to ask the Acting Prime Minister the following question. In view of the impending report of the textile council of the United Kingdom in which it is recommended that Canadian textiles brought into the United Kingdom be subject to a 15 per cent tariff, will the government make strong representations to the government of the United Kingdom pointing out the serious effect this will have on our textile industry in Canada?

**Hon. Paul Hellyer (Minister of Transport):** I will certainly be glad to bring this to the attention of the Minister of Industry, Trade and Commerce.

**NATIONAL DEFENCE****RESEARCH ACTIVITIES IN CONNECTION WITH UNITED STATES A.B.M. SYSTEM**

**Mr. David Lewis (York South):** Mr. Speaker, I have a question for the Secretary of State for External Affairs who, according to the roster, should be here today and who was here earlier.

Here he comes.

I want to ask the minister to inform the house as to whether the Canadian armament research and development section of the Defence Research Board has been and is now engaged in research in connection with the U.S. anti-missile system and, if so, under what arrangements, agreement or agreements this research is being done in Canada.

**Hon. Mitchell Sharp (Secretary of State for External Affairs):** The hon. member gave me notice of this question, otherwise I might have been tempted to turn it over to my colleague, the Minister of National Defence. But since there is an element of external affairs involved, I will undertake to answer it.

Research teams from Canada's Defence Research Board and the U.S. department of defence advanced research projects agency