

Up to now everything is fine, because what had been requested has been granted. But the farm organizations, such as the C.F.U. and the Federation of Industrial Milk Producers had asked that the increased production costs be taken into account. They thought that, even if the government raised the export tax rate from 52 cents to \$1.25, industrial milk producers would be able to have an income commensurate to their efforts and they would themselves have taken the necessary measures to avoid exceeding their quotas. But, at least, industrial milk producers would have been assured of an income compatible with the needs for the year 1970-71. The industrial milk sector is the only one that is to be penalized. I wonder why we are persistently being blamed for inflation, when all responsible people recognize that the price of industrial milk is not excessive.

The 10 per cent butter surplus is causing a lot of worry. Now that I have heard serious evidence from well-informed people in this field, I think that this surplus of 10 per cent is not harmful for Canada, but rather beneficial. If, during the year 1970-71, a drought should last for a few months, a reduction in the production would quickly result, such reduction could not be compensated during the following months. We must foresee such happenings. We should not worry about this surplus of 10 per cent, because it is the basis on which the dairy policy for 1970-71 was developed.

As a member of the committee, I feel that we have lost our time travelling in the eastern provinces to go and visit farmers and ask them their views about their financial situation and their annual income, because today we find that the government policy has been established even before the report of the Standing Committee on Agriculture had been presented to the House.

Mr. Speaker, it is my duty to keep on trying to co-operate with the government so that the necessary steps may be taken to help manufacturing milk producers control their production so as to avoid surpluses. But it is also incumbent on me to intervene vigorously in order that the cabinet does not cease to look at the situation and improve it during the year because I think it is quite unfair to penalize so many producers who for the most part are living in a certain province.

It is not to the advantage of Canada to have such a situation in view of the conditions now existing in Canada and in Quebec. In my opinion attempts should have been made to

*Action Concerning Farm Machinery Prices*  
encourage those who really want to work for Canadian unity, and to have the same justice applied to all.

[English]

ACTION ON RECOMMENDATIONS OF BARBER  
COMMISSION ON FARM MACHINERY PRICES

**Hon. H. A. Olson (Minister of Agriculture):**  
Mr. Speaker, I should like to make a brief report on the action the government has taken thus far with respect to the recommendations of the Barber Commission. I gave an undertaking to make this report and I am sure that hon. members in all parts of the House are interested in the action that has already been taken and will be taken on the Special Report on the Prices of Farm Machinery.

It will be recalled that Dr. Barber, in this report, made seven specific recommendations. These involved consultation and negotiation with the governments of the countries concerned and with the companies involved, negotiation and discussion aimed at making tractors from non-traditional sources available to Canadian farmers and the possibility of the imposition of a special "reverse dumping duty."

I am pleased, in this interim report, to be able to indicate that the government has taken and is continuing to take positive action in respect of six of Dr. Barber's recommendations. The seventh, that of a "reverse dumping duty", is under study, as are certain other alternative approaches.

Discussions between government representatives and those of the companies involved have led us to the conclusion that, in line with Dr. Barber's recommendations, one of the most effective approaches would appear to be that of increased competition in the Canadian market. I wish to report that interest in expansion has been expressed by a Canadian manufacturer and also that at least two and possibly three newcomers to the Canadian farm machinery scene are planning trial marketings for the current season. While the impact of these actions on prices and the market situation in general will doubtless be limited this year, we are convinced, with Dr. Barber, that this approach is sound.

● (2:40 p.m.)

In the meanwhile, the interdepartmental committee continues to work on the study and development of related actions that could supplement or reinforce those already under way.