

Canada today which is proving to be just as costly to the producers of this country as to the consumers—

Some hon. Members: Question!

Mr. McGrath:—I ask the minister what he intends to do about the disgraceful dumping of milk on world markets at prices cheaper than those prevailing in Canada and, further, what he intends to do about the disgraceful waste of powdered milk which is being used for animal food?

Hon. E. F. Whelan (Minister of Agriculture): As usual, the hon. member is making statements for the sake of sensationalism rather than reality as far as I am concerned.

Some hon. Members: Hear, hear!

Mr. Whelan: These facts have been known since last November when I made a statement about the fact that we were facing a surplus milk powder problem—that the dairy farmers were becoming too efficient and producing more than the domestic market could consume. Furthermore, there was a surplus on world markets. For instance, skim milk powder sold in the United States is more expensive than skim milk powder sold in Canada. The subsidy program is actually a subsidy program to consumers, not to producers, to enable them to afford to buy dairy products which, in turn, enables the farmers to stay in the dairy business. The hon. member must understand that before he makes any more of his nonsensical statements.

● (1430)

Some hon. Members: Oh, oh!

Mr. McGrath: The real tragedy in this, Mr. Speaker, is the Minister of Agriculture. In view of the fact that powdered milk prices in Canada to Canadian consumers have risen by 4.7 per cent since last July, and in view of the fact that the dairy farmers of this country are going to have to pay dearly for the minister's mistakes, would he do himself and the country a service by announcing his resignation?

Some hon. Members: Hear, hear!

Mr. Whelan: Mr. Speaker, let me answer the hon. member by saying that I did what the dairy farmers of Canada asked me to do. I developed a policy better than any other nation in the world has. The dairy farmers of Canada are some of the most efficient in the world. They have two million cows now giving the same amount of milk that three million gave only about 15 years ago. The hon. member wants to study the whole situation.

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ENERGY

POSSIBILITY OF NOVA SCOTIA BEING SUPPLIED WITH ELECTRICITY FROM CHURCHILL FALLS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Energy, Mines and Resources. Since the president of Newfoundland and Labrador Hydro has stated that enough water was spilled at the Churchill Falls hydro plant last year to supply 70 per cent of Nova Scotia's total consumption, at a saving, I

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might add, of some 6.5 million barrels of oil, has the federal government made any plans or carried out any studies which would enable these power sources in Labrador and Newfoundland to be transmitted to Nova Scotia and Prince Edward Island, two provinces that share the dubious distinction of having the highest hydro rates in Canada?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, we have been in touch with the government of Newfoundland and had some very extensive discussions about the development of the lower Churchill. More than that, we announced about a year ago a system of grants amounting to hundreds of millions of dollars to assist them in the transmission of those new resources by tunnel as well. Unfortunately, the Newfoundland government has not yet been able to put together a composite and viable plan whereby they can bring those resources into production.

CREATION OF AN EASTERN POWER GRID—GOVERNMENT POSITION

Mr. Lloyd R. Crouse (South Shore): I thank the minister for that reply and may I ask a supplementary question. Is the federal government giving any consideration to the creation of an eastern power grid, tying together Churchill Falls output hopefully with Fundy tidal power, providing a power supply that will meet the requirements of Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland as well as Quebec, thereby relieving us from the necessity of being dependent on high priced oil, which is becoming increasingly short of supply every year?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I think I have already indicated that one aspect of such a grid has already been taken care of in the proposals we made to the Newfoundland government. We have also made a number of arrangements with the New Brunswick government. I am talking, of course, about the financing of the nuclear plant in New Brunswick. We have worked out an interconnection with the province of Prince Edward Island and we are in discussion with the province of Nova Scotia. We are quite prepared to sit down and try to work out with the Atlantic provinces a system of interconnection and a system that will enable them to lessen their reliance on foreign oil.

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EXTERNAL AFFAIRS

LAW OF THE SEA CONFERENCE—POSSIBILITY OF COLLABORATION WITH UNITED STATES TO EXTEND JURISDICTION OVER MARINE RESOURCES

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the fact that the Law of the Sea conference is only a few weeks away and that the United States government has passed through two houses a 200 mile fishery zone, would the minister indicate whether there is any planning between the two governments to collaborate on a position at the Law of the Sea conference, and what are the objectives in this regard?