

capacity to supply Canadian consumers adequately at reasonable prices.

To study the problems of the dairy industry, the board used a report prepared at its request by Professor MacFarlane. According to that report, the dairy industry must face the following problems:

- a) the low income of producers and decreasing production in spite of subsidies;
- b) a shortage of qualified labour and producers' difficulties in competing with non-farming job opportunities;
- c) the current high cost of feed grains.

Those, Mr. Speaker, are the problems of the dairy producers. It is therefore not surprising that the country should fall short by 7 to 8 per cent in its dairy production and resort to imports to meet the needs of Canadian consumers, to the extent of some 50 to 60 million pounds of butter from January to April 1974, which situation has, to my mind, helped to add to the number of unemployed.

At this rate, we will import even more in coming years. But from where shall we import, since in other countries such as Australia and New Zealand, the dairy producers are experiencing the same problem? Yet, we have great potential in dairy production in Canada, particularly in Quebec and Ontario.

Recently, a dairy producer in Bellechasse won a prize as the owner of the Holstein cow that produced the most milk in the province of Quebec last year, that is 17,438 pounds of milk with 5.92 fat content. The owner of the cow is Mr. Alfred Boulet of the parish of Saint-François in Bellechasse, Quebec.

I would like to extend my most sincere congratulations to this young farmer and dairy producer who does credit not only to the Quebec dairy producers but to Canada. It is an honour for the member for Bellechasse to mention it in the House.

In closing, Mr. Speaker, I should like to say that we of the Social Credit Party have a very wise suggestion for the House and the Minister of Agriculture which would do justice to the dairy producers and consumers. It is that a discount on dairy products be established by the Canadian government and that the producers be compensated for this discount, which will benefit the Canadian consumer, by new credits created for this purpose by the Bank of Canada which, after all, belongs to the Canadian producers and consumers, and that these new credits be created according to the needs of the consumers and the industry's productive capacity. The producer will then be well paid and unfair advantage will not be taken of the consumer.

Mr. Speaker, this is a concrete suggestion which takes the needs of the consumers and the rights of the producers into account. There is no inflation or deflation involved, only scientific balance. This, Mr. Speaker, is the solution submitted by the Social Credit Party of Canada.

At the present time, our dairy production has a deficit of 7 to 8 per cent because we operate haphazardly. In recent months, we have imported from 50 to 60 million pounds of butter when our production capacity is sufficient to meet our needs.

Adjournment Debate

What are we waiting for to act? The month of April is nearly over and May is coming up. What will then be the answer for June 1974 and the following months? That is the question put by producers and consumers to this government. What will be the answer in the present financial system? But for the Social Credit Party of Canada the real answer based on common sense is in line with the material possibilities of this century.

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I do not want at this time to discuss the adequacy of the amount of \$10.15 mentioned in the hon. member's question because I feel his inquiry is about whether the incomes by milk producers will be adequate to promote sustained, and even increased, production.

I would like to insist that the price of \$8.50 per hundred-weight is a goal lower than the price a few producers will be receiving. Several major changes were made in the new dairy policy which will have a positive effect on production.

For example, producers receive the full subsidy of \$2.30 per hundredweight for any production within the marketing quota and not only just on the subsidizable quota. The subsidizable quota per producer was increased to 900,000 pounds of milk and additional subsidizable quota is available in cases where two or more producers work as full time partners on a dairy farm. This is in addition to increases of 6 cents and 12 cents a pound in the support price for butter and powdered skim milk respectively.

The minister is quite aware of the need for additional steps to bring renewed confidence to industry. The purpose is to set up a program which will ensure a better cost-receipt balance to the producer while at the same time making that occupation attractive to younger people. For that purpose the Canadian Dairy Commission received terms of reference to consult with producers and other groups concerned to present to the government proposals likely to reach those goals, and work in that direction has already started.

[English]

GOVERNMENT ADMINISTRATION—REQUEST FOR ROYAL COMMISSION INTO INCREASING COST AND EFFECT IN FEEDING INFLATION

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, on March 14, I asked the President of the Treasury Board (Mr. Drury) to consider a royal commission inquiry into the large and growing cost of government administration and the effect that such expenditures have in feeding inflation. He indicated he was prepared to consider my request. Tonight I hope to provide reasons that will encourage him to move further in the direction of an affirmative answer.

I think the time has come to examine the large, sprawling empire of government departments and agencies and to determine whether the existing structure is the most efficient vehicle for serving the Canadian people and identifying the changes required to perfect the system. I suggest we should start at square one and ask ourselves what role government should play in our society and whether