

Stabilization of Milk and Cream Prices

favour of motherhood. In his explanatory remarks the minister went even further and referred to the Farm Credit Corporation, the farm machinery act, ARDA and several other beneficial pieces of legislation. My only comment, for the benefit of the city people, is that the minister used an extremely wide brush in painting the scene, and for the benefit of the farmers like myself, I would describe it as using a five tine fork. As far as I can see from the material in front of me, everybody gets something. The government gets three more commissioners on the payroll; the consumer is mentioned in dispatches; and the farmer gets some more promises.

• (9:20 p.m.)

The minister referred to the function of the commission as advisory. This is fine in itself, but I am wondering how it is going to work out. Who is there to advise, and how? The minister also mentioned liaison with the provinces, which I think is all to the good.

Another matter mentioned was that the commission has to administer funds. It seems to me that these funds are already being administered by the stabilization board. However, if this resolution does what it says it intends to do, it will be a milestone in the advancement of the agricultural section of the Canadian economy. I think it is only fair, however, that we reserve judgment on this matter at this time, until it is shown that by the mere appointing of the commission the dairy farmers of Canada have received \$4 per hundredweight for milk.

The hon. member for Kootenay West said he was in favour of this advisory commission and that he felt it would be very helpful to the dairy farmers with their weather problems. I do not quite follow his reasoning in that regard.

Mr. Herridge: Has the hon. member never weathered a financial storm?

Mr. McCutcheon: I have been in a financial storm all my life; and the advisers take more out of the kitty than I do.

I trust that my remarks will not be construed as being negative. I should like to suggest to the minister that, although I am not from Missouri, I do hope that he will be able to show that this measure will do some good. I will promise him this, that I will support him in the appointment of this commission all the way, if it will accomplish that which is outlined in the resolution.

[Mr. McCutcheon.]

Mr. Moore: Mr. Chairman, I am pleased to hear the announcement of the minister that a Dairy Commission is to be established. It will be easier to comment on this matter of course when the details are known. However, it is an admission that the dairy industry is in trouble.

Great hopes were raised at the end of March when the new dairy policy was announced. The dairy farmers believed that they were going to get at least \$4 per hundredweight across the board for their milk; that was to be the guaranteed price for all milk. This price of course, has not been realized by many producers. There is really no guaranteed price of \$4 per hundredweight; there is only the hope that with the subsidy \$4 will be realized. For example, the cream producers are not getting \$4 per hundredweight for their cream in relation to the equivalent price for milk, even when the value of skim milk to the farmer is added.

In this regard, it should be realized in the first place that on many farms skim milk is of little value commercially, and perhaps of no value for feed purposes. Certainly it is not worth the price quoted for the production of skim milk powder. Only in certain cases can this price be realized. Naturally the fluid milk shippers get \$5 per hundredweight for milk sold on quota, but they are in trouble with their surplus milk. In the first place, a subsidy is paid only on the surplus over 120 per cent of the quota, though why that figure was arrived at I do not know. It is certainly confusing to a lot of farmers. There must be a money-saving device involved here.

I remember a year or so ago that this was the reason which was given by the former minister for removing the subsidy of 25 cents per hundredweight on surplus milk over quota. The dairy farmer certainly did not get the money, though he needed it at that time. Perhaps the government did save the odd million dollars, which the dairymen certainly could have used. That may be one of the reasons so many dairymen decided to go out of business in the last year or two—that and the high production costs and tremendous boom in land values which make it almost impossible for a dairyman to pasture cattle or even to cut feed on high-priced land.

If the statistics are examined one would be amazed to find the number of dairymen who have decided to shut down businesses in the last few years because they could not make a living at dairying, whereas they could in some other branch of farming. No wonder we