

*Supply—Agriculture*

a request had been received from farm representatives for a consumer butter subsidy of 14 cents a pound in order to dispose of the large stocks of butter. I do not believe the Prime Minister ever answered, although there was some statement by the Secretary of State which did touch on this subject.

On January 23 in the debate on the speech from the throne I asked for an immediate consumer subsidy of 14 cents a pound so that butter might be put on the market at 50 cents per pound, hoping that this would permit the large accumulated surplus to be dissipated and that over the course of a few weeks or months it might be possible to let market forces operate so that supply and demand would apply without loss to the producer, who is struggling right now because of the price of 64 cents. I pointed out that consumption of butter has dropped to 15.1 pounds per person in Canada from 19.5 pounds over a very short period and that with the present population of Canada all we need is consumption of approximately 20 pounds of butter per person per year to balance supply and demand.

We consider butter important because it has a critical influence on all dairy commodities. We have taken the view that since the government put the price of butter at 64 cents, just prior to the 1958 general election, the effect has been to channel the dairy surplus of approximately 3 per cent into this one commodity, a commodity which unfortunately had to meet the new challenge of alternative products and also the challenge of the criticism with regard to cholesterol content and of the various directions that were being given by certain medical authorities at the time against the use of butter. I believe there has been a substantial shift in the point of view and we read with encouragement what has taken place in the United States as late as February of this year. *Time* of February 2, 1962, indicates that the United States has followed other countries like Great Britain and France with a very aggressive dairy program.

We on this side feel that there is no area of agriculture facing a more difficult problem in the immediate future and probably for the next few years until our population, which does not now have the stimulus of immigration but only of natural increase, has built up to a position where our consumption of dairy products will match increased efficiency on the farm in their production, even with a substantial decline in farm families. This matter was brought before the session of the national Liberal policy council on January 30, 1962. That council accepted the proposition that the government should use either a consumer subsidy or a deficiency payment to

[Mr. Matheson.]

the producer to get rid of our butter surplus. We do not know whether the figure suggested in this statement—

**The Chairman:** Order. I regret to interrupt the hon. member but it is now five o'clock. So that the house may proceed to the consideration of private members' business, pursuant to section 3 of standing order 15 it is my duty to rise, report progress and request leave to sit again later this day or at the next sitting of the house as the case may be.

Item stands.

Progress reported.

**INDIAN ACT****AMENDMENT RESPECTING POSSESSION AND CONSUMPTION OF INTOXICANTS**

On the order:

January 22—Second reading of Bill C-26, an act to amend the Indian Act (liquor rights)—Mr. Howard.

**Mr. Churchill:** Dropped.

**Mr. Speaker:** Dropped.

**BANKRUPTCY ACT****AMENDMENT RESPECTING WAGE EARNERS' ASSIGNMENTS**

On the order:

January 22—Second reading of Bill C-27, an act to amend the Bankruptcy Act (wage earners' assignments)—Mr. Argue.

**Mr. Churchill:** Dropped.

**Mr. Speaker:** Dropped.

**BRITISH NORTH AMERICA ACT****AMENDMENT RESPECTING SENATE REPRESENTATION**

On the order:

January 22—Second reading of Bill C-28, an act to amend the British North America Acts, 1867 to 1960, with respect to representation in the Senate—Mr. Nielsen.

**Mr. Speaker:** Before placing this bill before the house, may I comment on it briefly. Bill No. C-28 seeks to amend the British North America Act by providing for two additional senators, presumably representative of the Northwest Territories. The consequence of creating two additional senators would be that they would be paid, as senators are paid, under the Senate and House of Commons Act.

The problem, namely that the bill may be a money bill and perhaps should have been preceded by a resolution has come to my attention rather late. I have not come to a conclusion and I wonder if the hon. member, in whose name the bill stands, would