dairy products have declined since the beginning of the century. While the export of dairy products has declined, the domestic consumption has increased to the point where today we are faced with a situation in which domestic consumption almost absorbs the total production. As a matter of fact, with the rapidly increasing population of Canada, before long we shall be faced with the situation that our production of dairy products will not be sufficient for domestic consumption. No doubt the cause underlying this basic change is the process of industrialization and urbanization that has been going on in Canada with increasing rapidity during the first part of this century.

I feel it is also significant that population increases based on the average figure of 2 per cent annually or some 280,000 persons, means that the equivalent of an entire city must be supplied with dairy products as an additional drain on our agricultural resources each year. If you line this up with the fact that there is a decreasing production of dairy products, you can see that inevitably you are faced with a dilemma. It is true that notwithstanding the increase in population that has already been pointed out in this discussion today, the total milk production decreased by approximately 1·2 billion pounds or 7 per cent during the past five years. There has also been a proportionate decrease in the number of milking cows during that same period of time, to the extent of some 501,500 head, which is a percentage of 12·5.

It has been pointed out that these statistics have some relationship to the tendency to supply a larger part of the meat market with dairy cattle. It is obviously more profitable at the present time to raise cattle for meat than to be faced with the increased labour costs that are a concomitant of the dairy industry. As I have already indicated, the dairy farmer is faced with increasing costs and is faced with the fact that the farm industry, particularly the dairy industry, has now become part of our pecuniary economy; we must reformulate our thinking as to labour costs and the prices received for dairy products in the light of those radically changed circumstances. It was brought to our attention that, in comparison with other prices, the dairy farmer is receiving relatively low prices. I have some statistics that could be brought before the house and which demonstrate that point.

It is significant to note that, at March 1 last, in computing the cost of living index it was found that all food stood at 233·9. When this item of food was broken down into dairy products and other products, however, it was found that dairy products stood at 200·1 while other products stood at 247·5. The base period was 1935 to 1939 with an index of 100. This means that, although dairy products as a group have doubled in price, other foods were about two and a half times as costly as in the base period. If the indices of individual foods are examined, the comparable indices of some are as follows, and these figures are for April 1 of this year:

Milk	177.1
Bread	189·8
White sugar	194.5
Eggs	198.8
Pork fresh loins	247.7
Steak sirloin	344·8
Roll rib roast	373.1

It can be seen by comparison that the price of dairy products has increased at a relatively lower rate.

This brings me to just a brief remark concerning a major problem that is faced by the dairy industry at the present time, a problem that has been brought to our attention by the influx of these cards which we have been receiving through the mail; I refer to substitutes for dairy products. Last year 94 million pounds of margarine were used. This figure is more than the total production of creamery butter in the province of Quebec. I am informed that the use of vegetable oils as substitutes for dairy products can be increased almost indefinitely; they can be used for synthetic or artificial cream, for ice cream and even as a substitute for milk itself. There is confronting the dairy industry a real difficulty which will have to be faced, obviously; and it is a part of the general problem of decreasing production in the dairy industry. In these little postcards we have been receiving the suggestion is put forth by the dairy industry that some reasonable and suitable tariff be imposed on the importation of cheap vegetable oils so that the industry will be placed on a fair and equitable competitive basis. After all, to most articles manufactured in Canada the same type of protection is afforded. It would seem to me that the dairy industry is only asking for the same fair and equitable treatment.

As these processes continue, the net result can only be a further decline in the dairy industry and inevitably—or even now in some products, for example, butter—we shall be faced with shortages.

I should just like to make this observation here. Presumably it is not the first time it has been made in this house, but I should like to repeat it for the sake of emphasis.