

*Supply—Agriculture*

years ago has prevented the surplus from getting out of hand altogether.

**Mr. Gauthier (Portneuf):** What about the spreads we have in Quebec?

**An hon. Member:** You are really spread at times.

**Mr. Gauthier (Portneuf):** They call it butter spread; they do not call it margarine.

**Mr. Knowles:** You mean price spreads.

**Mr. Thatcher:** I maintain that the artificial floor price on butter is not doing the job for which it was designed. I think I have support from certain people in the dairy industry. For instance the president of the national dairy council of Canada, Grant M. Carlyle, seems to share my views.

**Mr. Argue:** Is he a farmer?

**Mr. Thatcher:** Speaking at the dairy council's annual meeting in Toronto a few months ago, Mr. Carlyle had this to say:

Holding prices of dairy products at an artificially high level to the consumer involves a conflict of aims which can only be harmful to the dairy industry in the long run.

He warned. Again I quote:

Holding an umbrella over the heads of producers at the expense of the dairy business by curtailing markets in Canada was poor business.

He went on to say:

These are the only markets on which we can rely with a degree of certainty and they ought not to be sacrificed by a policy intended to benefit dairy farmers, but which works against their long-term interests.

**Mr. McCullough (Moose Mountain):** Does the hon. member realize that the man he is quoting is not a farmer?

**Mr. Thatcher:** I said a moment ago that he was president of the national dairy council, and I assume he is a man of some importance in the industry.

The export market for Canadian butter has long since disappeared because our price was about one-third higher than the world price. It is true that if we want to subsidize butter, we can get into the export market, but it can be done only in that way.

It seems to me that both the government and the dairy industry must face certain harsh economic facts. If our producers want to regain their share of the domestic market, if they wish to get back some of the market which has been lost to margarine, they will have to accept a floor price at least a few cents lower than the present level.

Speaking to the annual meeting of the Canadian dairy council, Madame H. E. Vautelet of Montreal, president of the Canadian association of consumers, warned them

[Mr. Thatcher.]

of this fact, and pointed out that consumer resistance was building up to high butter prices. In my opinion the most effective way in which the government can deal with our mounting surpluses, outside of banning margarine, is to reduce the floor price by 4 or 5 cents so that butter will be brought to a point where it will be competitive with margarine.

**Mr. Dinsdale:** Mr. Chairman, a few moments ago the house had the privilege of listening to the hon. member for Fort William making a contribution to this discussion and in it he referred to the member for Brandon-Souris as one of those who joined in the cry of havoc so far as the western prairie farmer was concerned. I make reference to the hon. member's remarks because in any statement I have made in this house concerning our prairie agricultural problems as they exist at the present time I have always taken extreme care not to be unrealistic in drawing the attention of the Department of Agriculture to the matter. In fact I have always stressed that Manitoba is in a slightly different category than Saskatchewan, for example. In commencing my remarks this afternoon I should like to say that if the record is read I do not think it will show that I have indulged at any time in irresponsible criticism of our agricultural policies as they exist today.

I listened this morning to the Minister of Agriculture as he made his state of the union address so far as agriculture is concerned. I must confess that from time to time as the minister addresses hon. members his oratorical ability seems to have a somewhat soporific effect upon his listeners and it would seem that the hon. member for Fort William has been a very apt pupil in this regard.

I enter the discussion this afternoon because I fail to grasp the significance of the minister's new category of real income. Perhaps he will clarify this point before we finish the discussion on this first item.

According to the category set up by the minister on the basis of real income the farmers are enjoying a relative degree of prosperity at the present time. That is entirely at variance with the representations I have had from agricultural groups such as the Manitoba federation, the Manitoba farmers' union, as well as from individuals. They all stress, I think with a great deal of responsibility, that in proportion to the total productive level of the Canadian economy our prairie farmers are in a relatively depressed condition. Notwithstanding that fact the Minister of Agriculture endeavoured this morning to suggest that the farmers do not know what they are talking about.