

Proceedings on Adjournment Motion

That served our purpose. We were happy about it. The farmers too were happy. The year 1968 was a rather good year as far as agriculture was concerned, and especially the dairy industry.

However, in 1969 we had a majority government. The price of milk was reduced, the dairy policy was disrupted and today the dairy producers' plight is desperate. Those who tried to answer the call of our governments in order to get better organized, to modernize their equipment and improve the quality of their milk so as to receive a sufficient income in order to survive, had to get into debt.

Mr. Speaker, it is only in the agricultural field that salaries went down in 1969 in Canada. The farm worker is the only one to be penalized. In spite of the labour surplus on the labour market, it was recognized that a man who works is entitled to a reasonable salary and salaries as a whole, were not reduced. Thank God, we must be happy about such a policy.

The same thing should be done, I think, in the dairy industry. Those who organized themselves in order to be able to provide the necessary efforts and production in the dairy field should not be penalized.

Now the April Commission, appointed by the Quebec government, presented its report last year. According to that Commission, the farm worker is not hard to please and gets only 83 cents per hour for his work, while keeping a herd of 30 milk cows producing an average of 9,000 lbs. of milk.

In 1949, Mr. Speaker, butter was selling at 63 cents a pound and the hourly wage of skilled workers was averaging \$1.25. For each of his working hours, a man could get two pounds of butter.

Now in 1969, the price of butter is 71 cents a pound and the average hourly wage in Canada as a whole, is \$2.93. For every working hour, the worker can get four pounds of butter.

Mr. Speaker, a number of farmers will be severely penalized this year and will have to sell part of their production at \$3.13 per cwt., after having paid the export tax. I am using the word "tax" because the former Minister of Agriculture had stated, in answer to a question, which was asked on March 23, 1966, and I quote:

The levy on exports is not in the form of government payments; it is a levy from the producers.

[Mr. Lambert (Bellechasse).]

That is the reason why I am using the word "tax", because of the expression used by the minister himself.

The present minister is very well aware of the situation, as he stated in the house that the essential problem in agriculture was that of the very low prices and that certain steps had to be taken to bring them up.

[English]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the hon. member's question, as reported in *Hansard* on June 23, asks the minister's opinion as to whether or not the lower price obtained by the farmer for his manufactured milk, taking account of the export tax, would contribute to an increase in income in 1969 as compared with 1968.

It would be possible to quote a lot of statistics to show that in 1968 there was an increase in gross receipts, farm cash receipts in Quebec, compared with 1967, and so on. I certainly do not wish to try to make that case here tonight, because it is not my intention to assert that the farmer is getting enough, or too much, for the sale of his products. The question in connection with the change in the hold back—what the hon. member refers to as the export tax—from the subsidy, is far simpler than that.

From the time this subsidy program was introduced, farmers accepted the fact that there would be a hold back on the subsidy in any year sufficient to pay for the losses or shortfall with respect to the support program, taking into account what was obtained on the international market for those milk products, particularly cheese and skim milk powder which it was necessary to sell some on the international market.

The hon. member knows this very well. He knows it very well because I have explained to him in the agriculture committee and in many other places that the change we made this year in increasing the holdback was necessary because there was production over and above the quota which was supported at 20 cents a pound and 65 cents for butterfat. With respect to any of these products which have to be sold on the international market, losses are incurred by the Canadian Dairy Commission which must be paid for out of the holdback. The change was made in anticipation of the probable cost for the current dairy year, 1969-70. In addition, we increased substantially—in fact, we doubled—the holdback on the amount of production which was over the quota. It is a well known fact that