

Interim Supply

of some 70 per cent in the gross returns to the farmer. Certainly this far outstrips his increased cost of production in that time. I do not think anyone would suggest that his costs have gone up by an equivalent 70 per cent. The fact that our prices are higher than United States counterparts is surely an indication that we have moved a long way toward bringing the manufacturing milk farmer into the economic position he deserves. However, we should strive to do more.

I have great hopes for the dairy commission, though there are those who criticize it editorially. This commission was formed as a result of just the kind of conclave that hon. members have suggested—provincial people. Dairy organizations formed a committee which suggested a dairy commission of the type we have set up. To my knowledge all farm organizations support the idea of quotas. They appreciate it is the only way to bring stability to the industry.

In addition to this we are attempting to bring the industry, which obviously has been in bad shape, into better economic condition and adopt new approaches to maintain incomes during the period of transition. I suggest we have taken a very responsible step in this direction, and that this program brings the manufacturing milk farmers into a sounder position than ever before.

I admit there is more to be done. I hope we will shortly have a middle or long term plan to lay before the dairy farmers in Canada in conjunction with this year's program in order to show where we are going within the next five years. Our general direction is toward larger units where a decent income can be had. A better price must be offered in the marketplace. The dairy farmer wants a fair return from the marketplace, as does everybody else, and this policy is geared to that end.

In the meantime, while we are rationalizing the industry through the use of the dairy commission and quotas, we have put the dairy farmer into a far better position than he was when we took office. We have improved his income, his returns and his way of life in considerable measure.

Mr. Olson: Could the minister tell us whether there is any way that a producer just commencing operation can enter the market under the quota provisions either by establishing a dairy unit or the purchase of an existing one, other than from a close relative? There does not seem to be any provision made for this in the statement of the dairy

[Mr. Greene.]

commission, and I am wondering whether any provision is made.

Mr. Greene: My understanding of the administration of the quotas by the commission is that they will be used at the absolute discretion of the commission. The point they made about sale to immediate members of the family, and so on, is to assure the dairy farmers that in those situations quotas will be transferred automatically. You must still go to the commission, but the quotas will be transferred automatically.

● (1:00 a.m.)

In other cases quotas are used to rationalize the industry and to ensure that after the quotas have been in vogue for a reasonable period a large proportion, if not all, of the people in the industry have the kind of unit which will give them a good income. They have absolute discretion in this regard. I feel certain if someone were selling out and two producers, who had been too small, were living next door, that those producers would have the priorities in the quotas. The commission would have absolute discretion to grant them any excess quotas there were, always bearing in mind that the total, global quotas available to the commission are based on the domestic consumption in Canada. That determines the quotas available for distribution from time to time by the commission.

The general purpose of what is done and the general idea is to put the industry in good shape so that 65 per cent of the people do not have less than 100,000 pounds five years from now. The commission has wide authority, and the transfer of quotas will be at the discretion of the commission.

Mr. Coates: It is my intention to move from discussing the dairy industry to discussing questions of legitimate concern to all Canadians. This week and in the days ahead Canadians will feel a true sense of achievement as they visit Expo '67, taking note of what has been accomplished in the creation of a world exposition, the equal of which must come in the future, as our expectations and the expectations of countries hosting similar expositions have been exceeded. I hope that Expo '67 will be tremendously successful financially and in developing a better understanding between Canadians of various races as they join together at St. Helen's island to see their tremendous agricultural and engineering achievement.

Much credit is owing to the many people who laboured long and hard to make certain