

*Dairy Products Support Prices*

To maintain support at the present level to dairy farmers who market their milk and cream for manufacturing purposes, and thus whose returns are directly related to the price of butter, these farmers will receive compensatory payments based on the difference between the 64 cents support level and the 52 cents board price for butter.

The price at which the stabilization board will buy cheese will be set in relation to the 52 cents purchase price for butter. Cheese milk shippers will receive the same compensatory payment as is to be made to those supplying milk for butter manufacture.

The revised purchase prices for butter and cheese, plus the compensatory payments, will provide the same measure of support to producers supplying milk for butter and cheese production as is provided under the present support program.

The compensatory payment will be in addition to the 25 cents per hundred pounds subsidy now paid to shippers of manufacturing milk. It will not be paid on milk used in the fluid milk market or on surplus milk from producers shipping to the fluid milk market. The pricing of fluid milk and any control of surplus production in this segment of the industry lies within local jurisdiction in each province. Milk used for the production of concentrated milk products will continue to receive the present subsidy of 25 cents per hundred pounds but will not be eligible for the additional compensatory payment.

The stabilization board has been instructed to enter into discussions with producer and industry representatives with respect to details of the new program, including arrangements for the price transition. Following these discussions a full announcement of the details will be made.

**Hon. Paul Martin (Essex East):** It will be desirable, of course, to await the details which are to be announced later, as the minister has just told us, before making a final assessment of this announcement of policy. However, the general lines announced by the minister follow pretty well the suggestion made by the national Liberal council last January; and, as hon. members will recall, the hon. member for Leeds, who among others during the course of this session, made representations in this house which we are happy to see have been observed by the Minister of Agriculture.

**Mr. Arnold Peters (Timiskaming):** We believe the dairy industry itself will be happy that the government has now reached a decision on this matter. I had the opportunity of meeting some of the representatives who

[Mr. Harkness.]

were negotiating local contracts in the city of Ottawa some weeks ago, and they had to adjourn their meetings for several weeks because the government had not made up its mind on this question.

The subsidy and the compensatory payments which are being made amount to even more, I believe, than the federation of agriculture has asked for. On the other hand, is the government giving any consideration to bringing into the pattern of these compensatory payments some benefit for the fluid milk industry itself? It would seem to me that until a relationship is established between the fluid milk industry and butter production—

**Mr. Speaker:** Order. The hon. member should confine his remarks to comment—and brief comment—on the announcement of policy which has been made. He should not discuss extraneous matters, and he should reserve his argumentative approach to the subject until the matter can be debated.

**Mr. Peters:** The reason this has been mentioned is that the government may find difficulty in putting these compensatory payments into effect unless consideration is given to the fluid milk problem; because this is a butter fat problem, and the suggestion that the prices paid for butter should be lowered affects the whole dairy industry and its interrelated parts. I would only ask the minister to give consideration to this immediately.

[Later:]

On the orders of the day:

**Mr. Harold Hicks (Fraser Valley):** Mr. Speaker, I have a very important question I should like to ask the Acting Minister of Agriculture. In the new policy just announced by the minister, will the position of the milk producers in British Columbia, who have a pooling system under the provincial milk marketing act, be safeguarded by special arrangements? If so, will there be discussions with representatives of the industry in the province to work out the details?

**Hon. D. S. Harkness (Acting Minister of Agriculture):** Mr. Speaker, as I think the hon. gentleman and other hon. members are aware, suggestions have been made for some two years past by the dairy farmers of Canada and other producer organizations that a scheme somewhat along these lines should be put into effect. As a result of that the producer associations in British Columbia have approached the stabilization board and held conversations with them in regard to what their position would be in the event such a scheme were put into effect.