

The Budget—Mr. A. Lambert

That is why I suggest family allowances should be increased according to the cost of living. That would be a means of increasing the purchasing power according to needs. Then, more dairy products would surely be used. To pay allowances, instead of taking the money out of the pockets of the consumer by levying new taxes, the government should authorize the Bank of Canada to issue new credits, based on that production. The Bank of Canada should be authorized to loan free of interest the funds required by the Canadian Dairy Commission; this would spare dairy producers having to pay tribute money to credit controllers, chartered banks and finance companies.

The Canadian contribution to foreign aid in the form of dairy products must not be paid by the dairy producers alone. It is said that generally speaking, two thirds of the world population are underfed. Our surpluses could perhaps be used to help those people. Industrialized countries spend an average of \$12 billion a year for the development of underdeveloped countries. On the other hand, those same countries spend almost \$175 billion on national defence. The poor countries are growing poorer, and the rich ones richer.

Thirdly, by guaranteeing a better price to the producers of manufacturing milk the government would contribute indirectly towards paying the cost of a vast publicity program to encourage the Canadian consumer to purchase more dairy products in Canada.

Everyone knows how efficient publicity is. Thanks to it, a mixture of water, sugar and a bit of coloring—known as soft drinks—is sold for something like \$30 per 100 pounds to the Canadian public while that same public, for lack of publicity, is loath to pay the producers of manufacturing milk \$4 per 100 pounds.

Soft drinks sell at 75 cents a quart, whereas manufacturing milk sells at 10 cents a quart. In addition, the government might also distribute part of the over-production of manufacturing or fluid milk in schools, which would permit an easier disposal. They wonder whether it would be possible.

Figures speak for themselves. An experiment was conducted in the United States along that line, and an economist of the C.F.U. before the standing committee on agriculture stated the following, and I quote:

About 5 billion pounds of milk are consumed in the United States through food aid programs.

That program amounted to about \$650 million and Congress increased it to \$1.5 billion; and recently, the President of the United States had it increased to \$2 billion for next year.

[Mr. Lambert (Bellechasse).]

The American people are not stupid, after all. If it were not sound, I believe they would put an end to such a program.

The unfavourable remarks about the program implemented by the United States concern its inadequacy. That is the reason why the estimates for that purpose have been more than doubled.

We should seriously consider giving such a program a trial in Canada before stating it is impossible to achieve this goal to everybody's satisfaction. It would involve extra expenses, but they might be otherwise counter balanced, for instance, by keeping on the job a great number of workers now threatened with unemployment in industries connected with the dairy industry. Such workers would pay taxes to the government instead of being on social welfare. Therefore, I believe this would be a very good investment.

Finally, since the government, through its dairy policy, discourages a great number of dairy farmers, and not only the smaller ones, but also those producing over 200,000 pounds of milk annually and whose quota is not set in proportion to that production, and also since part of the milk produced will be sold below cost because of the export tax which is about 52 cents per hundred weight, as a result, the Department of Welfare will have to cope with an almost equal number of new customers. Where are we heading to?

If our surpluses of dairy products cannot help the underdeveloped countries, there might be another answer. They might, for instance, welcome machinery and equipment. In that case, we should set up as soon as possible an industrial development program in the fields which are most affected by lay offs of farm workers so that they may start working in some other field.

We should set up a program as efficient as that which aims at reducing considerably the number of farmers.

Lastly, and in the best interests of the country as well as for our own sake, we should improve the conditions of the farm industry by ensuring, in every sector of farm production, prices which will bring dairy producers an income at least equal to that of the people working in other sectors of our economy.

• (4:50 p.m.)

It remains a fact that agriculture does not concern farmers only, but many other people who earn their living in related industries.