

request that it rescind this inflationary and regressive health tax which will seriously decrease the standard of living of many Ontario families?

**Hon. Jean Chrétien (Minister of Finance):** Mr. Speaker, I will take notice of the hon. member's view on the budget of Ontario. The hon. member has the opportunity to vote for having that type of government in this province. I do not.

**Mr. Blackburn:** My final supplementary question is addressed to the Minister of Finance. Given the fact that the minister's forecast of 6 per cent inflation is proving to be completely erroneous since we will be recording increases in the cost of living this year of between 8 per cent and 9 per cent, will the minister, as a minimum, change the guidelines of the Anti-Inflation Board to ensure that wage and salary earners in Canada receive increases at least up to the level of the CPI, so that a decrease will not be recorded in their standard of living?

[Translation]

**Mr. Chrétien:** Mr. Speaker, I stated on several occasions that it is not possible to protect Canadians forever against the effects of this offshore inflation. Trying to do so would spell disaster as far as importing goods is concerned, for our purchasing power on international markets has dropped due to the devaluation of the Canadian dollar, and it would certainly fuel inflation and cause us to lose our competitive edge in the world.

The Canadian public has accepted this approach, and the terms of most working contracts today are within the limits we had set, which explains why Canada's competitive position on international markets has considerably improved over the past year.

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#### AGRICULTURE

##### SUGGESTED GOVERNMENT ASSISTANCE FOR QUEBEC INDUSTRIAL MILK PRODUCERS

**Mr. Léonel Beaudoin (Richmond):** Mr. Speaker, my question is directed to the Minister of Agriculture.

Quebec industrial milk producers have had a lot of difficulties with quotas this winter and they had to stop producing milk or throw it away because bargaining between them and whole milk producers has been detrimental to them. In order to be fair, can the minister tell us whether he will make representations to the Quebec marketing board on this matter.

[English]

**Hon. E. F. Whelan (Minister of Agriculture):** Mr. Speaker, I am sure the hon. member knows that the administration of a marketing commission, board or system of any kind within a province is the province's prerogative or right. We can make

#### Oral Questions

suggestions, but we cannot tell them how to distribute quotas: that is their responsibility. I must say some of them are not doing a very good job.

● (1432)

[Translation]

##### REQUEST MEASURES BE ADOPTED TO PROTECT DAIRY INDUSTRY

**Mr. Adrien Lambert (Bellechasse):** Mr. Speaker, the dairy industry in Canada, especially in Quebec, is a basic industry. Considering that a few years ago the dairy producers fought vigorously against the government allowing the Canadian market to be flooded by a substitute called margarine which is now jeopardizing the dairy industry, can the Minister of Agriculture tell the House whether he will take steps to protect better the dairy industry so that milk production will not be reduced during the next dairy year thus ensuring that dairy producers will have a viable industry?

[English]

**Hon. E. F. Whelan (Minister of Agriculture):** Mr. Speaker, I am sure the hon. member is aware that several years ago dairy production was on a downward trend. It has increased and has been more stable in the past five years than at any time in its history. Returns to our dairy farmers have been the best in living memory. It is true there are some faults, but we have one of the best dairy policies in the world.

I ask the hon. member to make a comparison with the terrible dairy policy in the European Community, where they are compounding the problem and creating economic difficulties for us as a result of their inability to manage their system. It is being compounded as a result of their surplus dairy products being thrown on the world market at distress prices. The hon. member must remember that we are dealing in a world operation with surplus dairy products. We have our position. As far as I am concerned, we have one of the best dairy industries in the world; in fact, it is the envy of most of the world.

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#### HOUSE OF COMMONS

##### PRESENCE IN GALLERY OF DEPUTY PRIME MINISTER OF IRELAND

**Mr. Speaker:** Before we continue with the question period, may I call the attention of hon. members to the presence in our gallery of a very distinguished visitor in the person of Mr. George Colley, Deputy Prime Minister of Ireland.

**Some hon. Members:** Hear, hear!