

Stabilization of Milk and Cream Prices

functions and general structure. I can understand that, at the resolution stage. The minister went on to say that he wanted to have sufficient flexibility within the program so the government could meet the changing conditions that arise from time to time in the production and marketing of dairy products in Canada. A large number of questions have been left unanswered, even though one takes into account the statement made by the minister today and the one he made some time in March when he announced the subsidy that would be paid on milk. For example, this evening he said that the new dairy commission, working in co-operation with the provinces, will also have the power to engage in the promotion of dairy products. At least, I interpreted what he said to mean that, although they are perhaps not the exact words he used.

We would like to know where the dairy commission will obtain the funds for the promotion of dairy products in Canada. The minister mentioned three different sources of funds in this respect; first he referred to amounts that will be paid under the Agricultural Stabilization Act, second he said the administration costs would be paid by the federal government, and the third source of funds suggested was through levies and licence fees that would be imposed upon some in the dairy industry. The minister did not say whether they were to be imposed on the producers or processors. We are curious to find out whether any of these levies and licences will be the source of funds that will be used for the promotion of dairy products in Canada or whether levies or licences will be imposed for other reasons.

● (9:00 p.m.)

I think the minister also suggested that marketing control of agricultural products lies largely within the jurisdiction of the provinces. According to section 95 of the B.N.A. Act it does not seem that the provinces have any greater jurisdiction in the matter of dealing with agricultural problems than has the federal government, because it is said in that section that—

—in each province the legislature may make laws in relation to agriculture in the province and to immigration into the province; and it is hereby declared that the parliament of Canada may from time to time make laws in relation to agriculture—

Section 95 then goes on to say that these laws that are made by the legislature of a

province relative to agriculture or to immigration—

—shall have effect in and for the province as long and as far only it is not repugnant to any act of the parliament of Canada.

I suggest that in fact this section gives the federal government at least a little priority or a little superior jurisdiction over the provincial governments in the field of agriculture. I know that the provinces have an almost equal right with the federal government to legislate in the field of agriculture. The reason I bring this up Mr. Chairman, is that there still seems to be some reluctance on the part of the minister and of the government to say anything about how they are going to keep the price of manufactured milk at \$3.25 per hundred.

There is also the problem that if the price that the processors pay to the producers falls below this \$3.25, then there seems to be some doubt as to whether or not the subsidy of 75 cents will be paid. I suggest to the minister that he is perhaps being a little timid when he attempts to transfer all of the responsibility in that matter on to the provinces and expects them to keep the price paid by the processors up to the \$3.25 level for 3.5 per cent milk. I am not advocating at this time that the federal government should move out of this field and enforce a price of \$3.25 to be paid by the processors to the milk producers, but I think it is perhaps a little unfair to suggest that the provinces are the only ones to have this responsibility.

I suggest to the minister, and I am sure he knows this, that a lot of problems would arise if the Canadian Department of Agriculture were to pay the subsidy regardless of the price paid by the processors to the producers. I am fully cognizant of that problem, but I believe that in some parts of Canada the idea still exists that it is somehow up to the provinces to move into the field of floor prices and to tell the processors that they should pay the \$3.25, otherwise the government will not pay the 75 cents subsidy.

As I said, Mr. Chairman, there are a lot of questions that are still unanswered and perhaps we will get some answers to those questions when we come to a clause by clause consideration of the bill.

The minister went on to say that the Canadian agricultural policy would only be satisfactory as long as the prices paid to the farmers are commensurate with the cost of production. I should like to suggest to him that he has a great task before him if he