

situation, many farmers will go bankrupt if the government does not approve a new dairy policy. Under such circumstances, and in view of the recommendations made to him, is the minister prepared to delay the implementation of this dairy policy for a while to give industrial milk producers time to adapt to the new guidelines?

[English]

**Hon. E. F. Whelan (Minister of Agriculture):** Mr. Speaker, this representation was made to us by the minister of agriculture for Quebec and the minister of agriculture for the province of Ontario, but I repeat that our doing that alone will not alleviate the horrible situation that exists as a result of the way they allocate quotas within the provinces. It will not eliminate some of the problems of individual producers. I am sure that the hon. member is aware that there are producers who have not established quotas who have been producing milk for two years on the advice of the provincial milk marketing board, which told them: "Don't worry about a quota, you will be granted one". They have allowed them to get in debt by doing these things and now they want me to bail them out. If the hon. member is suggesting that I am totally responsible for this, then I hope he is suggesting as well that I have total authority. This I do not have now because we are letting them run their own business.

[Translation]

INQUIRY IF GOVERNMENT PLANNING TO REDUCE PRODUCTION BY FORCING PRODUCERS INTO BANKRUPTCY

**Mr. Roch La Salle (Joliette):** Mr. Speaker, I wish to ask a supplementary question.

As the minister is fully aware that the government's objective is to lower production and that it means that a number of producers will go bankrupt, would the minister tell the House whether this is really how the government intends to meet its goal?

[English]

**Hon. E. F. Whelan (Minister of Agriculture):** Mr. Speaker, the hon. member has misconstrued the facts. I wish he would study how the Canadian Dairy Commission operates. It is the producers organizations themselves that make these decisions as to how quotas are to be distributed and they have not done all that good a job. That is why the farmers are complaining about inequities. We have dairy farmers who increased their production less than 5 per cent last year; we have others who increased their production as high as 80 per cent, and that is the unfairness of the situation. We asked for a 5 per cent increase in production and we got a 15 per cent increase in production, with no market or no home for it. We were spending millions of dollars on interest and storage charges because we had to pile it up. I am sure the hon. member is not suggesting that we continue to do that. If the hon. member wants authority vested in the Minister of Agriculture, let him say so and tell the provinces to vest that authority in the federal government.

Oral Questions

● (1420)

REQUEST FOR IMMEDIATE FINANCIAL ASSISTANCE FOR DAIRY PRODUCERS

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, my question is also supplementary and is directed to the Minister of Agriculture. It is in relation to his announcement next week. In view of the fact that many farmers are facing bankruptcy, and the Farmers' Union said this morning that farmers are now suffering a net loss of anywhere between 20 per cent and 100 per cent of their incomes, will the minister assure the House that in his announcement next week he will be outlining some steps that will in essence provide immediate financial assistance to the dairy farmers of this country?

**Hon. E. F. Whelan (Minister of Agriculture):** Mr. Speaker, I think the hon. member means well in what he is stating. Again, I do not have the authority to get rid of all the inequities there are. He has eliminated part of it. The most important thing is if the dairy farmer is producing within a quota. They are doing what they were asked to do, and they are still the best paid industrial manufacturing milk producers in the whole world. We have a system of provincial allocation of quotas and how these quotas should be distributed, but we are faced with the fact that some provinces were encouraging production without any consultation, contrary to what we have been suggesting since last April. Those provinces have to bear some of the responsibility. It is not totally my responsibility, and any decision I might make would not alleviate that problem. If we completely eliminated the monthly quota system on which we are operating, and completely eliminated the \$8.60, this would not mean there would still not be some in dire straits.

We have lent farm credit money to a total number, I believe, between 1,200 and 1,400, someplace in that area. This is in the minutes of the agricultural committee. We tabled this before the committee and it gives a list of the number of people to whom we have loaned these amounts of money. We have made the agreement that there will be no collections of these funds. I am sure if we all work together, the producer organizations, the provincial governments and the federal government we can solve this, but not in the way suggested, for instance, by the consumer critic of the official opposition, who said I paid the dairy farmers too much.

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

**Mr. Grafftey:** That is wrong and you know it. I never said that.

**Mr. Nystrom:** Mr. Speaker, I heard that same speech outside a few minutes ago.

**An hon. Member:** Why don't you listen?

**Mr. Nystrom:** I have listened many times and have not had the answer to my question. In view of the fact the minister is to make an announcement next week, I should like to know whether he can assure the dairy farmers in this country that there will be some immediate financial assistance for them. In view of the fact that many of them have debts they have to meet, some in respect of farm