

Oral Questions

have a telephone conversation either with Mr. Nelson or with any private individual concerning the forthcoming budgetary changes, and did he indicate a knowledge of those present or forthcoming changes in such conversations.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Well, Mr. Speaker, so far as the matter of the members of the New Democratic Party not seeming to have any indication that the change was possible or likely to come is concerned, that is a question for them to decide with regard to how effective they are in the House of Commons and how knowledgeable they are. The point I want to make is that if the hon. member will look at *Hansard* at page 7891, he will note that a member on the other side made the same judgment I had and had come to it independently because we had not talked about it beforehand.

Insofar as the question about Mr. Nelson is concerned, I believe, after I received his letter dated December 3, which I think is the first indication I had he was concerned about it, I phoned him to find out his concerns and have him elucidate more fully the effect this tax would have on his business and then I proceeded to make my inquiries and judgments. There was, to my recollection another company in my constituency, the Naden Boat Company Limited of Vermilion Bay, from which I received a phone call in about three or four days of the budget delivery putting the argument to me that the way the excise tax was imposed could do irreparable harm to their manufacturing operation since they had been in business for only six or eight months and did not have the cash flow and marketing situation to be able to sustain that kind of a blow. There were also from my constituency a number of other retailers who got in touch with me, either personally or in writing, and I added these to my files and made representations on behalf of all of them.

Mr. Broadbent: Mr. Speaker, I should like to point out, first, that the people whose judgment is being questioned are not members of the New Democratic Party. I responded with care yesterday I thought to the hon. member opposite and would like him to exercise the same care in some of his responses in the House today.

I would ask him now if he would answer the question more precisely. In his telephone conversations with people in his constituency or elsewhere, did he convey with any greater degree of certitude than he expressed in his letter of December 19 his knowledge of forthcoming budgetary changes?

Mr. Reid: Mr. Speaker, I want to apologize to members of the New Democratic Party. I merely wanted to point out that the certitude of the knowledge I had that there was a possibility of a change was shared by me on this side at least with a member on the other side. So there were two of us who had some certitude, some insight, into the proceedings.

To answer the hon. member's question, I could say that from the reaction of Mr. Nelson when I phoned him and when I wrote him I judged that he had no confidence at all in the judgment which I had expressed that I thought that there would be changes. He tended to be very dubious

[Mr. Broadbent.]

about it and he told me that he simply did not believe me. I simply reiterated to him at the time, as I did in my letter, that the chances were good, the likelihood was there that there would be a change because of the nature of what the minister was attempting to do in the tax. I made a judgment on my own. I had made this judgment on bills of all nature and I make that judgment continually in my work as Parliamentary Secretary to the President of the Privy Council as to how the House will behave and how we will move business along.

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[Translation]

AGRICULTURE**DAIRY—SUGGESTED RECONSIDERATION OF LEVY ON INDUSTRIAL MILK FOR EXPORT**

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to ask the Minister of Agriculture a question.

Since the Department of Agriculture has authorized the Egg Marketing Agency to increase from 8 to 10 cents the price of grade A eggs, which will enable the producer to make a reasonable profit of 6 per cent, I wish to congratulate him. My question is as follows: does the minister believe that the 45 cent export levy for the industrial milk producer will be revised during the summer holidays?

[English]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, any policies for which I am responsible will be fair policies. We are reviewing the policy that is in accordance with the agreement with the dairy farmers of Canada for industrial milk. They understand that policy and they also understand the reason for the 45 cents per hundred pounds cost because the European Economic Community dumped so many thousands of tons of skimmed milk powder on the world market at no cost to their producers. So we are reviewing it and hoping to come up with a program that will not force industrial milk producers in Canada to take a cut in income.

[Translation]

Mr. Beaudoin: Mr. Speaker, I should like to put a supplementary.

Can the minister tell the House whether he knows anything about the subsidies received by the producers of nine European countries, which were to be 28 cents a hundredweight? These subsidies represent dishonest competition for Canadian producers. Is the minister contemplating action to change that situation?

[English]

Mr. Whelan: Mr. Speaker, we reviewed the subsidies paid by the European Economic Community to their dairy producers and we reviewed our subsidies, then we explained to Canadian dairy farmers that the discrepancy is not as great as some people think it is.