

*Adjournment Debate*

**The Acting Speaker (Mrs. Morin):** Is it agreed that we call it ten o'clock?

**Some hon. Members:** Agreed.

**PROCEEDING ON ADJOURNMENT MOTION**

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

**TRADE—REQUEST FOR REDUCTION IN CHEESE IMPORT QUOTAS**

**Mr. John Wise (Elgin):** Madam Speaker, in view of the fact that it is ten minutes to ten o'clock I hope I might be allowed a minute or two if I exceed the allotted time.

**An hon. Member:** No way!

**Mr. Wise:** In view of the very limited time at my disposal tonight I want to re-emphasize the need for a reduction in Canada's present import quotas on cheese. On November 18, as recorded at page 9189 of *Hansard*, I directed a question to the Minister of Industry, Trade and Commerce (Mr. Jamieson) on this matter. I think it is fair and accurate tonight to state that it gained considerable support among many hon. members, particularly from this side of the House. The minister's reply provided a slight glimmer of hope, but in view of the recent concerns expressed by the dairy industry people, which I share, I felt a sincere desire to explore this issue and raise a couple of other rather interesting matters tonight particularly relating to the ever-increasing difficulties being experienced by Canadian dairy producers and the government inaction in reducing the quotas for imported cheese.

Indeed, we have heard reports from the Department of Agriculture that it at least is considering an increase in respect of this particular quota. I should like to draw attention to page three of the statement by the Minister of Agriculture (Mr. Whelan) on November 4 in which he indicated that imports will be allowed to increase gradually over the next several years until they reach not less than the equivalent of 10 per cent of manufactured products. The current import quota of 50 million pounds represents 5 per cent of the total Canadian consumption of manufactured dairy products. The size of next year's dairy quota will be established shortly.

Let me make it abundantly clear at the outset that such an action on the part of the government would be intolerable. Not only would it severely hamper the cheese production industry but it would serve an extremely severe blow to the dairy industry as a whole.

I want to note that the dairy industry can be found in every province. In fact 70 per cent of the farms reporting as commercial farms in the province of Quebec are commercial dairy farms. About 30 per cent in the province of Ontario, and about 22 per cent of all farms registered in Canada are commercial dairy farms.

[Mr. Sharp.]

What kind of a case can the government make for its own inaction with regard to this most serious problem? Clearly the only responsible response is a reduction of the present 50 million pound quota, a quota which was arrived at after some fancy government arithmetic that failed to take into account the relevant facts and figures that were and are available.

Importation of cheese has risen drastically from 31 million pounds in 1970 to 50 million pounds in 1975. In arriving at the present quota the department has ignored the traditional method of calculation that is based on a five-year average. Calculated in this manner we would have a quota of 38 million pounds, a limit much more in tune with the needs of Canadian producers.

To compound the difficulties further, we are faced with accepting a quota that is based on import statistics which are uncharacteristically high due to the fact, I have been advised, that the authorities concerned failed to prevent a substantial amount of illegal cheese from entering this country. An example of this is "Podolski", a Polish cheese somewhat similar to our own cheddar. This cheese has, in effect, been dumped into Canada, most of it being processed illegally, during 1974, because it became impossible for the authorities to police. The processing rule has since been dropped and this cheese is now legal. This does not alter the fact that the 1974 totals for cheese imports still take this cheese into account despite the fact it was illegal at the time. Had this cheese been kept out of Canada at the time, as it should have been, the 1974 quota would not have been so high. It is nothing short of ridiculous to set quotas arrived at in this manner.

● (2150)

The abnormalities, however, do not end here, Mr. Speaker. Another case in point involves cheese believed to be East German which is being trans-shipped via West Germany, and is once again being effectively dumped into Canada. It has not been proven, I admit, that the source of this cheese is East German, although it is highly suspected. We do know that it is not from West Germany though, so something is undoubtedly amiss. There is no way that West Germany could sell cheap cheese at 56 cents a pound when Common Market support prices are close to \$1.

Yet another factor which discredits the use of 1974 levels as standard is the fact that more cheese than would have usually been considered normal was imported that year due to a shortage of Canadian milk in that particular year.

We are told from an excellent authority, by George McLaughlin, chairman of the Ontario Milk Marketing Board, that we will have sufficient production in Canada next year to satisfy Canada's requirement for dairy products including most of that portion of the cheese market which the government has already given away to other countries. If the cheese import quota is increased rather than decreased, it will throw milk from Canadian producers into powder and butter at a very high cost to producers in export levies, instead of allowing that milk to go to cheese production at no increased cost to anyone. Also, it will be a portion of the domestic market that will be forever lost to Canadian milk producers.

If, on the other hand, the cheese quota could be reduced to 40 million pounds from 50 million pounds per year,