

*Supply*

**Mr. Gass:** Mr. Chairman, I see the time is slipping away and there are so many things I would like to question the Minister of Agriculture about. The hon. member for Carleton-Charlotte raised some questions with regard to the seed potato industry as it affects eastern Canada, New Brunswick and Prince Edward Island. It is a concern of mine as well because of the importance of the seed potato industry to P.E.I. I would like to ask some questions on the feed freight equalization program and the feed freight assistance program as it affects dairy producers, beef producers and egg producers in P.E.I. but I am afraid that time does not permit that.

I will move directly to some questions regarding dairy policy. I will be brief. The five-year federal commitment to the dairy program and the forward pricing policy implemented in April of 1975 has not yet been renewed. I understand an extensive interdepartmental review of Canada's dairy policies is under way in the government. The five-year policy has been very successful according to the dairymen. Dairy producers across the country support the retention of this basic industrial and consumer policy. I listened intently earlier this evening when the member for Joliette dealt with the same topic. He was able to extract from the minister the fact that the program, the forward pricing policy, would be in effect in 1981. I am concerned about four years down the road, after 1981. I would like to know whether the minister can assure dairy producers that another five-year federal commitment for forward pricing can be guaranteed. As part of the federal stabilization program a direct subsidy is paid to producers of milk used in the manufacture of dairy products in order to moderate the price of dairy products to consumers. This subsidy, by encouraging consumption, enables Canada to have a larger milk industry than would otherwise be the case. The direct subsidy paid on a per hectalitre basis has remained at the level of \$6.03 since April 1, 1975. In the five years since then, the real value of the subsidy has declined to \$3.46. This has meant a progressive reduction in the real cost of the direct subsidy program to the federal treasury.

Another question I would like to pose to the minister is: can the minister assure dairy producers that there will be no reduction in the dollar amount of the direct subsidy paid to the producers? And, are there any plans to increase the amount of the subsidy? Dairy producers in Canada have just completed a very successful conference on milk recording. Milk recording involves the measuring of production of each cow in a dairy herd. This aids the farmer and makes for efficient dairy farm management. More money has to be put toward this aspect of dairy farming. Producers realize they will have to pay more, but they are anxious the government should also contribute. Can the minister assure dairy producers that the government will continue to back producers efforts in milk recording and that it will continue its commitment to this important aspect of dairy farm management?

Mr. Chairman, I have four questions for the minister. Can the minister assure dairy producers that another five-year federal commitment to forward pricing will be guaranteed? Can the minister also assure dairy producers that there will be

no reduction in the dollar amount of the direct subsidy paid to producers? Are there any plans to increase the amount of this subsidy? My last question to the minister is: Can the minister assure dairy producers that the government will continue to back producers efforts in milk recording, or record of performance, and continue its commitment to this important aspect of dairy farm management? I will allow the minister time to respond because I want his answers.

**Mr. Whelan:** Can the minister assure the dairy farmers of Canada that they are going to still have the dairy policy which has been the best in the world? I think that was the question the hon. member asked. The answer is yes.

**Mr. Gass:** For how long?

**Mr. Whelan:** Mr. Chairman, it has been pretty good for eight years. Even when the other government was in power they did not do anything to change the wonderful program which we had developed over a period of time.

With respect to the ROP program, yes, it will continue. It is one of the best in the world. It has developed the best genetic breed lines of cattle in any place in the world. It is the envy of the world. So the ROP test program which we developed over a period of time we will continue.

Will we increase the subsidy to farmers? No, because the pricing formula takes care of the increase which the farmers need to have a healthy dairy industry. It is one of the best in the world.

I think I have covered all the hon. member's questions.

**Mr. Gass:** One question, Mr. Chairman, which the minister did not answer, and I am sure it was an oversight on his part, was: can the minister assure dairy producers that there will be no reduction in the dollar amount of the direct subsidy paid to the producers?

**Mr. Whelan:** Mr. Chairman, there has been no suggestion by me or anyone that there should be a reduction. We have not lowered it, nor have we increased it for five years. It has remained the same. The pricing formula allows them to get their return from the marketplace, which was the intention, as I said earlier today. Before the disastrous world situation arose, when the European communities threw hundreds of thousands of tons of skim milk powder and other dairy products on to the world market and depressed prices, we had the best managed supply system we have ever had in the history of the dairy business. I do not believe we have any unsold product at the present time. There are very low stocks in our warehouses and whatever is in them is sold.

**Mr. Gass:** Mr. Chairman, I would like to thank the minister for answering my questions. I have a few others which I would like to pose but I think time limits me. I am interested in what proposals the minister has to assist dairy producers, beef producers and egg producers in the maritimes regarding freight feed, grain freight equalization. I have noticed that from 1973 to the present time the cost has gone up from