

Dairy Policy

cent increase. As I said earlier, we got much more than that. We got an increase that in many ways has become an insurmountable problem. It is difficult to solve.

We must be very careful that we do not create the impression, and I may have been guilty of this at times, that whatever is produced will be distributed on world markets or given to everyone in the world. Skim milk powder for human consumption has a limited life. In some cases it will not be accepted after 60 days of age and, in many cases, not after 90 days because it deteriorates. Because of the distribution system and storage facilities, as well as weather conditions, some countries do not want to keep it too long because it deteriorates.

To give the impression that skim milk powder is the same as cereal grains is wrong. It cannot be kept as long or distributed as easy, although it can more easily be distributed as a world food aid product than, for example, eggs. It is nearly impossible to use eggs in the world food aid program.

Let us talk about the world food aid program. The hon. member from the NDP, as well as the two others who spoke, talked about food aid. Last year, as we do every year, we sent about 23 million pounds of milk to world food aid. However, we must not use these countries as places for our scraps, just to dump our surpluses there. We do not want to create the impression that that is what we can do with all our surplus products. Many countries will not accept skim milk powder because it is not part of the diet of their citizens. They may react to it violently and, in some cases, it may even cause death. Therefore we must be very careful.

We spent \$230 million on food aid items in the last year; milk, fish, beans, beef and so on. Food aid is paid for by taxes. The hon. member agrees with me it should be paid for by the total society, not only the agricultural segment that makes up about 6 per cent of our population. We are the largest contributor per capita to the world food aid program of any nation in the world, including the nation to the south of us.

At the present time there is a world surplus of skim milk powder of over 1,600,000 tons. It should be clear that many of these countries with surplus skim milk products do not have any kind of supply management program. The treasuries of those countries finance this to a great degree. Some finance it totally. It is called a food aid program, when some countries sell at under world prices. Maybe if you stretched the point a bit, you could say that.

Australia and New Zealand together have 225,000 tons of surplus skim milk powder. The United States also has around 225,000 tons. The European community is next. Canada has about 150,000 tons of skim milk powder.

I want to make some comment on what has been said about who caused the problem and about what the government has done to assist dairy farmers. There has never been a government that has reacted more to the requests of dairy farmers than this government since this Minister of Agriculture (Mr. Whelan) has been here. We have adopted a dairy policy which is a good dairy policy. No other nation has a dairy policy which can compare with it.

● (1550)

I have a document before me which I would like to have the permission of the House to have appended to *Hansard*—it would take too long to read. It underlines how each province administers the dairy program. That is one of the difficulties. There are not two provinces in Canada which administer their dairy programs in the same fashion. Yet the Canadian government, through the Dairy Commission, is responsible for trying to make sure the industry enjoys decent security and that the economic welfare of the industrial milk producers of the whole country is good.

I want to make it clear that we will be announcing no new policy until April 1. We will be announcing a program under the policy which was accepted last year, a policy largely in accordance with what the dairy farmers have requested. By law we have to announce that program by April 1, and we shall do so. It will not be a new policy, because we have hammered out, together with the provinces, a policy which is workable.

Every dairy organization which has anything to do with industrial milk, every provincial government which has any milk production of significance within its jurisdiction, knows that on April 1 a strict quota program will be introduced for them to operate under, something which was not the case last year. Some of the provinces, some of their marketing organizations, had asked for an extension of time to establish the production which they felt was desirable. This year the quota will be strict. They have agreed among themselves what the program will be this year as far as they are concerned, controlling production in the fashion they see fit. To say that we have not cared, that we have not shown concern for the dairy industry of Canada is, I repeat, just not right.

Hon. members talk about governments of Canada not paying any attention to the needs of producers. Consider the situation with regard to the import of specialty cheeses. Up until last year there was no control over the entry of specialty cheeses into Canada at all. We established control by means of a permit system, and the dairy farmers and producers agreed that this was a good thing.

The hon. member who spoke for the New Democratic Party mentioned the fact that I made an announcement on November 4 that we intended to increase the supply of imported cheeses up to 10 per cent of our needs. Mr. Speaker, I made that announcement on purpose because the Dairy Commission had asked me, as Minister of Agriculture, to make announcements and speeches designed to bring some order into dairy production because we were producing more milk than could be used in the industrial sector for both the export and the home markets.

We have announced there will be no increase of imports of specialty cheeses into Canada this year. We have also announced that we will be negotiating with those countries which presently export specialty cheeses to us. There are 16 such countries, so we are not being very fair if we point a finger only at the EEC. Exports from some of those 16 countries are subsidized very heavily. We are reviewing the position, and if there is some way in which we can reach a fair agreement on a better program covering these exports, we shall do so. The United States has been successful in stopping virtually every cheese product exported