

increased. These rumours have been circulating since November 1975 without any formal denial by the government. After considerable efforts on the part of producers in special meetings, particularly meetings with Quebec members and their Ontario counterparts, the only answer received by the producers is that Quebec Liberal members have created a special committee to study the matter and make suggestions. But this committee reports to the caucus, it is not a committee of the House: therefore it is not a parliamentary committee but a political committee, which explains why today's national debate is so important.

It is essential that the elected representatives of the people firmly state their position, their concerns and their convictions, without hiding anything and without beating around the bush. Further, it is only normal that the milk policy be discussed in this House on occasions, just as we discuss wheat production with pleasure and enthusiasm.

Mr. Speaker, in April 1975, the Minister of Agriculture (Mr. Whelan) announced a new long term dairy policy, and I underline "long term". He stated among other things that a basic price of \$11.02 would be set and would be regularly adjusted in the five following years to changing production costs. An adjustment formula was therefore proposed by the minister to the House. An amount of \$266 million was earmarked for subsidies of \$2.66 per hundredweight on 10 billion lbs. of milk, that is the estimated needs of the Canadian market, which meant a 5 per cent increase in the production to be subsidized.

Finally this policy established the principle of Canadian self-sufficiency, which means that Canadians managed to meet their requirements of dairy products, in other words Canadian consumers would absorb Canadian production, except in unusual circumstances. That, Mr. Speaker, was a year ago, almost to the day. The minister then concluded his policy statement by saying, and I quote:

I believe that this new policy will put the dairy industry back on the right track and that the next years will bring to the producers and processors a period of stability and expansion.

But then, Mr. Speaker, as early as November, something happened namely the deterioration of the net anticipated income. The producers did not get, in spite of the government's formal commitment, their \$11.02 as promised, the processors increased their share by 8c., which reduced the price received by the producers to \$10.94, from which must also be deducted the export levy which amounted, to 15c. at that time.

● (1440)

The overall quota for cheese imports has increased to 50 million pounds for the year, without any restriction on the kind of cheese, whereas in the last five years the annual average was 39 million pounds. The result of the surplus 11 million pounds of cheese which are imported is an increased production of 5.77 million pounds of butter and 11 million pounds of milk powder, while these markets are already overloaded. Finally, in spite of the express commitment the federal government made a year ago, the cost of milk powder exports increased from 15 cents before April 1 to 45 cents in April and 90 cents in July. The producers' pressures resulted in a drop to 65 cents and in the establishment of a compensation fund for the export costs.

### *Dairy Policy*

Mr. Speaker, on November 4, 1975, the Minister of Agriculture (Mr. Whelan) revealed the basis of the new dairy policy for the year 1976-77. This announcement was sort of a great blow to the producers. They called it "the great blow of November 4". You will agree with me on the value of these arguments. Storage and marketing costs become payable from this budget following the announcement of November 4. If, as shown in the estimates these costs amount to \$40 million in 1976-77, the budget for subsidies themselves will drop from \$266 million in 1975-76 to \$222 million in 1976-77.

Since it is estimated that the market will require 9.5 billion pounds of milk, this will mean a \$2.34 subsidy per hundred pounds to the producers compared with a \$2.66 subsidy in effect last year. Therefore, this represents—and I am drawing the attention of all my colleagues in the House on this point—a 32 cents cut. The price paid to the producers would come down to \$9.97 per hundred pounds from the previous \$12.06 and \$11.02.

Mr. Speaker, this is a radical change in policy brought about by the government. The Minister of Agriculture, in his long term policy statement of April 1975, has made a formal promise to the producers associations not anywhere, but here in the House of Commons. He has told them that he would do his share as a member of the cabinet to achieve long term production, domestic self-sufficiency guaranteed producers income and maximum control over imports.

Mr. Speaker, I am quoting the Minister of Agriculture; it is important that this should be recalled, more especially as the minister is honouring us with his presence here this afternoon:

The government has been committed for a long time to develop a long term dairy policy. Now it rests entirely with the industry to accept its responsibility and contribute to the success of the policy.

So the Minister at that time was committing himself and saying to the producers: Go out in the fields, and start producing, do not be concerned; we will stick with you; we guarantee minimum prices.

That was his commitment, and the Minister was saying:

Now it rests entirely with the industry to accept its responsibility and contribute to the success of the policy.

Mr. Speaker, that is exactly what the producers have done. They went back home, worked methodically, respected their production quotas, paid export rates and followed the guidelines of their respective associations. They have provided food for the Canadian people and nobody can deny it. Mr. Speaker, today, less than a year later, the minister is reversing his position, instead of negotiating face to face—like with equal partners with the authorities, the representatives duly elected of the federations; he lets rumours run wild why hypocritically delivers a big blow, and appreciates the response in order to achieve an equilibrium, and I would swear, Mr. Speaker, that next April 1, the minister will stand in this House announcing his policy, and saying that after—

**An hon. Member:** Another April Fool!

**Mr. Fortin:** Another April Fool!

—saying that after lengthy negotiations with the producers' federations, after one year of experience, thank to