

*Business of Supply*

diminishing return. We do not. We just tell the farmers to cut their production 15 per cent.

It is not generally known, but when we had a surplus of milk powder last year which the minister said he could not give away, the government did not pay anything to help get rid of it. The farmer paid for it. Indeed, he paid a heavy price. In fact, I know some producers who only received a return of about \$4 a hundred. The minister cut this to where they only get 17 cents a hundred for their surplus milk. Therefore, they have to turn to an alternative operation.

A year ago in my area, day-old calves were selling from \$3 to \$5. They are now selling from \$40 to \$72—\$72 if they have a white face. Why? The farmer knows it is better to feed the calf for nothing than to dump milk down the drain. There are people in my area, and I know of some in Quebec, who open the tap at the bottom of their bulk tanks. They are smart enough to turn off the agitator at night and drain out 300, 400 or 500 gallons. This just goes down the drain. The milk remaining in the tank will be worth more because the butter-fat content increases. Therefore, the price the dairies now pay for butter-fat content is steadily increasing. We must work out the best deal we can to provide as much money as possible out of the consumer dollar for the farmer and still have a good product at a reasonable price.

There is much talk about giving food to other countries. However, the idea of giving food to people in Canada has not been explored. Rather than the farmer pouring milk down the drain, he would be quite happy to give it to those willing to come and get it. That would be better than dumping it, which causes a bad odour in the barnyard. The drain systems were built to handle washwater, not milk. However, the farmer is not allowed to give it away. There are all kinds of regulations to prohibit that. For example, the milk is not pasteurized. In addition, he would run into trouble with the milk marketing board because that would cut into the market.

The minister can do something about this over the long term. If we cannot give away powdered milk to the people of India or Bangladesh because they do not know how to mix it and, if they did, the water would kill them, we could give it to our own people. Most low-income people in this country do not drink enough milk. They do not get the nutrition which our national health agency says is necessary.

[*Translation*]

**Mr. Fortin:** Mr. Chairman, in my turn I wish to take advantage of this unique occasion to address the Minister of Agriculture (Mr. Whelan), who is now with us, especially with regard to the dairy policy which predominates among the concerns of the eastern producers at this time. Before that policy was announced, the Minister of Agriculture, who was present when one of my motions was being debated, drank milk in the House and, it seems, thought he was being funny doing so. At that time, he promised a fair policy, taking into account all circumstances.

The policy was announced after much negotiation and discussion. Now, the producers must submit to it. I would like to know whether the minister realizes that there is the only category of workers in Canada who have to accept a

[Mr. Peters.]

decrease in income, compared with production or income in 1975, and that this lower income is being imposed by the very federal government which, in the past, through its policy, induced the producers to increase their production and which now inflicts upon them the burden of its short term policy. Can the minister tell the House, at this point in the debate, what his long term policy is with regard to dairy production? That is but one sector, and practically the only one in Canada, where producers depends exclusively from government initiatives, that policy is state controlled in the sense that under it the government can control every pound, from the first to the last. When producers produce too much, the government can use the act to penalize them.

**The Chairman:** Order, please. The hon. member for Kent-Essex (Mr. Daudlin) rises on a question of privilege or a point of order.

[*English*]

**Mr. Daudlin:** I rise on a point of order, Mr. Chairman. I regret to interrupt the hon. member, but I am informed that the officials in front of us have no translation facilities, and this may make it difficult to provide an adequate response to the hon. member when he has completed his remarks. I believe we ought to correct this situation before we proceed.

**The Chairman:** I do not think this should prevent the hon. member from making his speech. It is a temporary difficulty which we shall correct, but in the meantime I believe the hon. member should continue.

● (1630)

[*Translation*]

The hon. member for Lotbinière has the floor.

**Mr. Fortin:** Thank you, Mr. Chairman.

To summarize, I will say that dairy production in Canada is now state controlled in that governments have 100 per cent control over it. Producers are completely dependent on governments. We call this subsidized production in the sense that the income of producers depends on the government policy.

There are years when through its agricultural, and particularly its dairy policy, the government invites producers to produce more. The next year, the government says to producers: You produce too much. So we are going to impose quotas. The year after, the government says: Since we have been able to liquidate the surplus, we encourage producers to produce more. We will increase subsidies. We will tighten our controls. The next year, this year, the government says: You, the producers, are responsible, because you have produced too much. The government will accept no blame whatsoever. The minister himself and his parliamentary secretary have said in the House that the government could not do anything about it because we must import. The same minister told producers that they had to make their share of sacrifices because there was surplus production. This is a rather paradoxical situation.

Since the dairy policy was announced, there are over 3,000 industrial milk producers in my riding of Lotbinière. These are not small investments since they amount to