

*1970 Dairy Support Program*

of Canada. Under the terms and provisions set out here many more thousands of the dairymen of Canada will no longer be in business 12 months from now. The degree to which controls are spelled out one after another in this statement should cause the agricultural industry of this country to assess exactly what the proposed program of the government is, because the statement indicates in no uncertain terms the degree of government intervention in a once free enterprise industry.

When the National Dairy Commission was established it was thought by the dairy industry that it would have at its command access to all the pertinent information and statistics and that it would work with the dairy industry to promote the well-being of the industry and those engaged in it. But the first thing the National Dairy Commission did was to establish a system of quotas across the country and dairymen were paid a subsidy on the basis of those quotas. Subsequent steps show the degree of control that has been exercised. First, Mr. Speaker, no dairy producer received any consideration in the form of subsidy on shipping milk outside the quotas. Then the subsidy that was paid had subtracted from it the government costs of shipping surpluses out of the country, which further reduced the subsidy to the Canadian producers.

• (2:30 p.m.)

Now there is to be a third step. Not only are the first two commitments costing the dairy farmers a lot of money but the government has now indicated that it will assess a fine of \$1.25 per hundred pounds on all milk produced beyond the quotas established by the government. Not only will the farmer not receive the market value for the milk he produces but he will be fined \$1.25 per hundred pounds for any milk produced in excess of the quota. This is government intervention to the nth degree. It seems that the emphasis has been applied in the wrong direction. Instead of trying to curtail production in this country to meet the demands of a strictly domestic market and limiting international sales, this government should be directing its best emphasis toward putting this country into a competitive market position vis-à-vis other nations in the international field.

The minister has indicated that only now have we sent a commission to Europe to study what other dairy products may be introduced to increase domestic consumption

[Mr. Danforth.]

and our share of the international market. Only now is the government investigating the possibility of sending our dairy products abroad to feed the hungry peoples of other nations. These decisions have come after the government has announced that our domestic production is to be curtailed. Would it not have been more logical, reasonable and businesslike if the government had taken these steps first in order to assess how much of our production could be utilized before deciding the degree to which dairy production should be curtailed? What has happened, Mr. Speaker, is just another indication that the government still does not understand the problems of the agricultural industry of Canada.

**Mr. Rod Thomson (Battleford-Kindersley):** Mr. Speaker, we support the principle of market management with regard to dairying in Canada. We also support the idea of utilizing our surplus dairy products to feed hungry people, both at home and abroad. We think there are people in Canada who could well consume more of our dairy products; this is also true, of course, of the people of the hungry nations of the world. In this regard we think that some form of consumer subsidy ought to be considered to help needy groups in Canada acquire the necessary food.

The statement makes little or no mention of the increased costs facing dairy producers. The farmer has tried to increase his production to meet these increased costs, and that is one of the underlying reasons for the dairy surpluses. The government's refusal to face this awkward problem confronting the dairy farmers and, indeed, all farmers in Canada, will only add to their woes. If we permit our farmers to meet the problems posed by increased costs, other factors will fall naturally into line and may resolve themselves.

[Translation]

**Mr. Adrien Lambert (Bellechasse):** Mr. Speaker, I am deeply disappointed about the statement of the Minister of Agriculture (Mr. Olson) on the dairy policy for the year 1970-71. And when the producers of manufacturing milk know about it, they will surely approve the remarks which I intend to make.

In his statement, the minister thus resumes his policy:

—the program provides for precisely the same level of support in 1970-71 as in 1969-70, for those who restrain their deliveries to the subsidy quotas and thus co-operate in the essential objectives of restraining excess production.