

farmers. He described the minister's program and talked about provincial input. I attended that executive meeting and told him to explain the program, but not to try to sell it. I explained that there was some difference between the Ontario Milk Marketing Board and the federal agency and that he should not try to sell the minister's program but merely explain it. He was asked this question, "What is your personal opinion about this program?" He said, "My personal opinion is, disregard it. Don't be too worried about the problem because it is my personal opinion, having been in the business 40 years, that we have cut back on production so fast that there will be a shortage by September." He may be wrong, but I am inclined to believe he will be right. In one month we cut back production in Canada by 15 per cent. After being ahead in February by 30 per cent over last year's production, we cut back production in one month by 15 per cent.

I do not know if hon. members pay attention to the number of milk cows coming on the market. In my community you will normally find, around this time of year, between 15 and 20 dried-up milk cows on the market. In the last two or three weeks we have seen between 100 and 125 milk cows being offered on the market for slaughter. One result has been that the local co-ops have sold less feed supplement for milk cows. I say that we have cut back too rapidly, and this more than anything else may bring the Canadian Dairy Commission into disrepute as a national marketing agency. Frankly, I do not think the Canadian Dairy Commission is capable of gauging the entire market. In that area of activity it is probably weakest. I am justified in saying this because in the last few months the consumption of fluid milk has risen by about 5 per cent. Why it went up, I do not know. Perhaps people quit drinking tea; perhaps the increased price of beer may be a factor.

An hon. Member: Perhaps people quit drinking water.

Mr. Peters: I do not know why consumption went up, but the consumption of fluid milk rose by 5 per cent. This growth in the consumption of fluid milk, as hon. members from Quebec know, creates difficulties for industrial milk producers since surplus fluid milk is used for industrial production. Clearly, the increased consumption of fluid milk will have ramifications in other parts of the milk industry. It is quite possible that milk consumption across this country will increase by 10 per cent.

This brings me back to my previous point. Why are milk cows now being offered on the market for slaughter? Many of them could have been sold two years ago, but were not because the market was depressed. Prices were rock-bottom for slaughter cattle. Consequently, they were held back. Hay and grain supplies were plentiful, and conditions for holding back were ideal. Farmers kept their cows so long as they had room for them. Probably they milked them. There has been no significant culling out of cattle for about two years; but now this is happening and there will be a considerable drop in production.

● (1620)

I am concerned because the minister does not give a damn whether his radical and short-range programs upset the market almost month by month. Last year the Ontario

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Milk Marketing Board was very upset. They held a number of conferences—one at Geneva—where they dealt with the minister's intervention into their market with his subsidy payments. He intervened in that market on the basis of once every three months. No notice was given that there would be a change in the subsidy program. When the minister intervened he changed the whole structure of the dairy industry. It is a very complex industry and a change in any part of it can make a very considerable difference.

To be fair to the minister, there was another large intervention in the whole structure. The Prime Minister went to Europe. I think it was for a trip which he could well have afforded, rather than going for the purpose of interfering with the industrial development of this nation. He could have gone on his own, like the rest of us. The Prime Minister visited a number of Common Market countries where he was wined and dined and talked about a contractual link. It sounded as though it were monkey-pod trees or something similar which would have no effect on them. However, they found out that in return for that contractual link the Prime Minister promised that Canada would buy 10 per cent of our dairy requirements from the European Common Market. To again be fair to the Minister of Agriculture, he must have put up a real battle because this was changed to 5 per cent. However, 5 per cent will have quite an effect on the dairy industry. If we go to 10 per cent, it will be an additional strain on the industry.

The area to which the 5 per cent applies is mostly cheese. There is a small amount of other dairy products. I suggest that the bleeding hearts working on behalf of Mrs. Plumpre look at what these imported cheeses are costing the Canadian consumer rather than making their idiotic suggestions. I am sure they would be surprised. You can walk into a Bank Street store here in Ottawa and purchase imported cheese from 30 or 40 countries, some of which costs \$4 a pound. It probably has no more food value than Canadian cheddar which should sell for a considerably lower price than it now does.

Over the years, cheese factories in Plum Hollow and other places have not been able to get enough milk. There is a cheese factory in Belleville with 40 or 50 vats. It could run on two shifts and probably handle half the surplus milk in the industrial field in eastern Ontario. However, it is not in operation. I presume someone bought and closed it. I understand that someone wanted to buy this factory. He was told by the Ontario Milk Marketing Board that they could not guarantee him a regular supply of milk. If he could not get the milk, he could not get the loan. If he could not get the loan, he could not buy the plant. Obviously, it is still not in production.

When the government agreed to buy dairy products in the Common Market, this had quite an effect on the dairy industry in Canada. It is safe to say that dairy farmers, who are very large consumers in the industrial field, got very little benefit from any arrangement that would guarantee a 10 per cent commitment by this government. I ask the minister to make every effort to hire research people to make a full study of all facets of the dairy industry. The result of such a study should allow us to predict trends. Kraft carries out this kind of marketing research. They know exactly how much of a particular product they can sell and how high they can push the price before there is a