

gross revenue minus of some 10 per cent or 15 per cent, but when it comes to a net revenue, that will mean something in the vicinity of 25 per cent or 30 per cent less for them. This we cannot accept, and that is why we have made strong recommendations to our cabinet and strong recommendations to the Treasury Board.

Since I suggest we are responsible for the surplus on hand, and the producers agreed to reduced incomes, I also suggest that the cabinet consider our working paper which was presented so that the government will take its share of the blame. The dairy commission should also accept its part of the blame and during this coming year monitor the production on a much more precise and regular basis, and report to the government and to the marketing agencies so that the over production of this year will not be repeated.

[Translation]

Of course, this would be done with the co-operation of the management committees who are also partly responsible because they are in charge of marketing.

In his motion, the hon. member for Lotbinière (Mr. Fortin) refers to a long term policy. I would appreciate it if he would follow more closely the discussions on agriculture and the changes effected in the dairy industry. In my humble opinion, as long as we have two markets for a single production, there will be some confusion and it will be practically impossible to implement a long term policy. It will be possible as soon as all our producers are integrated. It is quite difficult to understand an integration system for those of us who are not farmers. A cow has four teats, two connect to the industrial milk tube and two on the whole milk tube, and it is rather difficult to explain the price margin to consumers. During the few months I have attended their meetings in the three years I have spent here, those matters have been explained to me. Now I understand that whole milk producers have incurred more expenditures. If eventually total integration is carried out, the producers will be refunded the extra expenditures they incurred on their farm.

It is our fondest wish to see along term policy established for the dairy industry, but as I said earlier, I suggest that there should be a single market for a dairy product. Then a long term policy would be feasible.

I am convinced, as the Minister of Agriculture (Mr. Whelan) said earlier, that if workers in other sectors were as productive as those in the agricultural sector, and I would even point out to the President of the Treasury Board that if his public servants were as effective as our farmers, we would have a lot more services, and perhaps our production and service costs would be reduced here in Canada.

I will conclude by saying that I have read a press report about a provincial minister criticizing the federal government. I would instead invite him to join with the federal minister in trying together to develop a policy that will help farmers rather than hurt them.

[English]

Mr. John Wise (Elgin): Mr. Speaker, it is indeed a pleasure for me to address the House this afternoon on the subject raised by the Social Credit Party of Canada.

Before I do so I feel obligated to utilize this opportunity to draw to the attention of the House the comments made

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by the minister when he began his speech. The minister indicated that the official spokesman for the opposition party had not attended the meetings of the Standing Committee on Agriculture. I want to make it clear that I have the pleasure of being the official opposition dairy spokesman, and I believe the record will indicate that the Standing Committee on Agriculture has held four meetings and that I attended them all and participated in them all.

The record will also indicate that my colleagues and I put forward many constructive suggestions and criticisms, and if anyone wishes to examine the record of the standing committee he will see that in fact the minister agreed with some of the suggestions made. I mention this in case it might prove embarrassing—

Mr. Malone: Lay a charge, Gene.

An hon. Member: Put your seat on the line.

Mr. Whelan: I just want to say that I meant the official spokesmen who were speaking for the party on the lead off speeches today. The hon. member is a diligent member of the committee and the House, and is fairly knowledgeable, most of the time, on dairy issues.

Mr. Wise: It should be stated at the outset that the responsibility for the dairy industry, as far as governments are concerned, must be shared both provincially and federally. Fluid producers are more closely associated with their respective provincial governments and milk marketing boards or agencies, while on the other hand the producers of industrial milk are associated with the federal government, the fate of the latter being almost entirely in the hands of the federal government and its over-all policy enunciated by the Department of Agriculture and the Canadian Dairy Commission.

The Canadian Dairy Commission is also responsible for the purchase of that which is surplus to the fluid milk trade. The support payments to the dairy industry are not recent developments or policies. Rather, they began in 1935 and have continued in some form or another over the past 40 years.

Dairy subsidies were first initiated and continued for three main reasons: first, to maintain and hopefully to build a strong dairy industry in Canada; second, to ensure an adequate supply of milk and other essential dairy products to the Canadian population at reasonable prices; and third, to improve the incomes of dairy farmers and dairy producers. The federal government agencies entrusted with this program were the Agricultural Prices Support Board formed in 1946, the Agricultural Stabilization Board established in 1958, and later the Canadian Dairy Commission established in 1966.

Dairy farming is one of the most important and oldest agricultural industries in Canada. It is interesting to note that history records the first arrival of dairy cattle with the United Empire Loyalist movement to Upper Canada in 1785, and that the first cheese factory was established in 1864 in the constituency of my colleague, the hon. member for Oxford (Mr. Halliday).

It is estimated that cash receipts from dairy products, excluding government supports and sales of livestock,