

extent any surpluses which may develop and to subsidize any sales we should make in other countries around the world, has been pointed out.

I agree with the minister when he says it is not his responsibility to sell milk in the schools and to sell or give milk away in other countries of the world. That is the responsibility of all the Canadian people, and we must assume that responsibility. I think it is high time the Minister of National Health and Welfare (Mr. Lalonde)—and I doubt if he will—was doing his job. He should be talking to his counterparts in the provinces and indicating to them that the federal government will put up a subsidy so that milk could be sold in all the schools and to the public.

I am told that in hotel rooms in Australia a person will find free milk. There is free milk in the lobbies of all the hotels and in all the schools, and that milk is produced by Australians. It is produced for the people because they have decided that that is a very economic way of helping their health program. They supply milk free. That is not the responsibility of dairy producers in this country. It is not the responsibility of the Minister of Agriculture (Mr. Whelan). It is the responsibility of all of us collectively, and it should be administered through the Department of National Health and Welfare so that milk can be provided to Canadians who are not able to afford milk. It should be provided to children whose parents have not decided it is essential that their children have milk for the sake of their health. Benefit would accrue to all of us by way of reduced medical costs, hospitalization costs, and all the other costs of retaining a healthy and fit nation.

We have to make some decisions as to the requirement of the nation rather than in terms of sales. We will have to look at the monopolies which have developed in the distribution of milk. Farmers are paying a very high price due to the fact that Canadian dairies of last year raised the price of fluid milk. This happened in Ontario, I understand, and decreased the consumption of milk considerably. The farmers did not receive any more money, and this certainly did not help the consumer.

● (1530)

Certainly the consumer was not helped when dairies raised prices. Production was affected. Also, farmers were asked to pay more for the distribution of a product we could not sell. It should be noted that when we talk about giving away milk powder to Europe or to underdeveloped countries, the government is not giving it away. The dairy farmers who produced the milk are being asked to give it away. They pay the shot. Why should our farmers by themselves subsidize other countries, when the government offers to provide food aid? Farmers have become totally disillusioned with the government's marketing policy. They were asked to increase production by 10 per cent.

Mr. Whelan: We did not ask for 10 per cent more.

Mr. Peters: The government asked for increased production—I do not know exactly how much. They were urged to increase production as, in 1974, Canada had to buy 37.1 million pounds of butterfat. In the fall of 1974 it was estimated that in 1975 we should be short of 24 million

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pounds of butterfat. By April, 1975, this estimate was revised. It was felt that we needed only six million pounds. An alternate estimate, using the CDA dairy industry model, indicated a potential surplus of nine million pounds.

I cannot understand why milk should ever be in short supply or surplus. Its consumption is relatively stable. For example, it is used in the form of fluid milk, butter and cheese. The consumption of these commodities remains stable. Therefore it is not hard to meet requirements. The minister tells the dairy commission to reduce production, not because there is lack of demand but because that is the price we must pay for becoming involved with the European Economic Community. The government decided that it would reduce milk production by 10 per cent in order to gain access to that larger market abroad for our industrial products. So, the policy has nothing to do with the market or the consumption of milk. That decision is the government's responsibility.

The dairy farmers of Canada have for long acted responsibly. They have been willing to abide by quotas and even willing to pay for the transport of their commodity. My brother is a dairy producer. Sometimes he pays transport costs from northern Ontario to Toronto. He regularly pays for the transport of milk from northern Ontario, on the Quebec border, to Thunder Bay. Farmers are willing to pay milk transport costs, are willing to distribute milk, and even are willing to listen to the Ontario Marketing Board. I suggest that the government should pay some attention to the needs of our dairy producers and allow them to establish equitable quotas which will allow them to plan up to five years ahead.

In addition the government ought to make sure that dairy producers obtain a fair and reasonable return for their product, which should include reasonable profit plus costs of production. This would allow dairy farmers to build up better herds and increase the yield per cow. We ought to help our dairy industry as, in my opinion, the Canadian dairy industry has been the best operated, efficient dairy industry in the world. For proof, consider the number of farmers in other countries who want to buy our livestock. We produce the world's best dairy livestock. Unfortunately it is difficult to transport livestock to foreign markets because the government will not contribute to the cost of transport. Our farmers do their bit. The rest is up to the government.

I endorse the views put forward by the hon. member for Lotbinière, the mover of the motion. His presentation was excellent, and he alluded to the difficulties arising from jurisdiction being divided between the provinces and the federal government. I suggest dairy farmers would be better off if the federal government were to set national quotas and allow our farmers to fill them. No one wants to see the kind of bickering which takes place between provinces. The provinces, too, must enter into agreement with farmers, and provincial agreements must be similar to the sort of agreement into which the federal government should enter. In the absence of national quotas we shall see a repetition of the kinds of difficulties we saw last year.

I wish the minister well in any suggestions he may make for the year 1976-77. I hope that April fool's day will provide the sort of pleasant surprise it can provide, and