

HOUSE OF COMMONS

Thursday, September 9, 1971

The House met at 2 p.m.

ROUTINE PROCEEDINGS

AGRICULTURE

STATEMENT BY MINISTER ON ISSUANCE OF DAIRY SUBSIDY CHEQUES

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, in response to a number of questions respecting the making of dairy subsidy payments I wish to inform the House of the situation. There was an abnormal delay in completing the payments to Quebec and Ontario producers for the year ended last March. This was because of complications in programming the final payments for the year as a result of the change in the subsidy payment arrangement during the year when those two provinces entered into market sharing quotas last December.

The last of the final payments for the 1970-71 year went to the Post Office on July 8. There was a consequential delay in starting payments for the 1971-72 year, beginning with deliveries in the month of April.

Subsidy cheques for April manufacturing milk deliveries went to the Post Office on August 3, those for May deliveries on August 11 and for June deliveries on September 3. Those for April cream deliveries went to the Post Office on August 4, for May deliveries on August 20, and for June deliveries on September 3.

The subsidy payments for those three months, therefore, went out within a one-month period.

Starting with July, payments will be back on the regular schedule. Those for manufacturing milk should go to the Post Office by September 13 and for cream by September 17.

Some inquiries which hon. members may have received may have had to do with payments to Ontario fluid milk shippers, for a portion of their manufacturing milk shipments. The basis of calculating subsidy eligibility for this group has been changed, partly to conform with the market quota program, in a way which will simplify the arrangement for them. This, however, involved extensive calculations and reprogramming which could not be started until the final data for last year had been finished, and which delayed starting payments for this year.

However, the April subsidy cheques for these fluid milk shippers should go to the Post Office tomorrow. Barring any unforeseen problems, those for May should go to the Post Office by September 15, for June by September 18 and for July by September 24.

I should refer to one aspect in the timing of the subsidy payments. The payments are based on reports from dairy

plants to the Dairy Commission of each producer's deliveries for each month. The schedule calls for the plant reports of manufacturing milk deliveries for each month to be received by the commission not later than the twentieth of the following month, and for cream by the thirtieth. Approximately three weeks elapsed time is then required to check the plant reports, key punch some 112,000 individual producer cards, set up the computer pay tapes and print and issue the cheques. If plants are late in reporting, the payments to their shippers will be delayed one month.

There are 515 reports monthly from individual plants or organizations. For July deliveries, nine plants had not reported manufacturing milk deliveries on time and 14 had not reported cream deliveries.

Mr. R. E. McKinley (Huron): Mr. Speaker, I should like to thank the Minister of Agriculture (Mr. Olson) for providing the answer today that should have been provided to my question of the day before yesterday. I am sure that dairy producers have been waiting for some time for clarification as to when their cheques would be sent. Like everyone else, including Members of Parliament and Ministers of Agriculture, dairy producers have bills to pay. They expected to get their cheques within three weeks or one month, as was customary. That was how it was supposed to be done when the Dairy Commission was set up. Some producers told people to whom they owed money that they would be able to pay them by a certain date. In some instances producers issued postdated cheques on the assumption they would have the money to cover them, but their subsidy payments did not arrive in time to make their cheques good.

The information that the minister has provided to the dairy producers today will certainly be helpful. It is to be hoped that the subsidy cheques will be issued more promptly and that the plants will supply the necessary information to the Dairy Commission in good time so that producers will not be subjected to a similar delay in future. I trust that the minister will see that this is done.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I did not have a copy of the minister's statement before me and was unable to follow the details. His explanation of the situation may be helpful. During the summer producers in my area were asking why their cheques were delayed. In fact, at one point they were asking whether the program had been discontinued.

• (2:10 p.m.)

It is important that the producers have confidence that the program will work well and will be continued. There is a great deal of uncertainty, especially among small producers in western Canada. When an individual like Mr. McLaughlin of the Ontario Association of Milk Marketing Boards says that there is a possibility of a shortage of