

Consultants, if they wish to stay in business, must of necessity guard their professional credibility. They must, therefore, attempt to maintain an unbiased approach. However, if one were intent upon finding a bias in this particular case, one would tend to believe that it would be in favour of a terminal considering that the consultant in question recommended the construction of the Weyburn terminal in the face of considerable opposition.

It is rather obvious that if the consultant's report had come out in favour of a terminal, then the opponents of a terminal could have argued that the consultant was biased, with about as much justification as the argument we are hearing tonight.

In the case of the Yorkton terminal, it was concluded that the economics were not attractive. This study took into consideration the volumes of grain normally produced in the area, the presence of other grain handling facilities as well as the special requirements of the port of Churchill. This latter factor recognizes that most of the movement of grain to Churchill must occur during the three months that the port is open. This means the Yorkton terminal would only be devoted to servicing Churchill for a quarter of the year.

The Acting Speaker (Mr. Ethier): Order. I regret to interrupt the hon. parliamentary secretary but his allotted time has expired.

AGRICULTURE—AMOUNT SPENT IN PROMOTING SKIM MILK POWDER

Mr. John Wise (Elgin): Mr. Speaker, my reason for entering the adjournment debate tonight stems from answers, or more accurately non-answers and excuses, given by the Minister of Agriculture (Mr. Whelan) concerning not only the decision to cancel the \$13.5 million consumer subsidy on skim milk powder but also the effects such a decision can produce.

First of all, Mr. Speaker, let me deal with the method followed. The decision demonstrates once again that the government pretends to consult but in actual fact does nothing of the kind. This decision follows immediately on the heels of the conference on national food policy at a time when the government has just renewed its commitment to co-operation and consultation with groups affected by major policy decisions. In this case, no consultations were held with producers, processors or consumers though these groups are all affected in a major and detrimental way.

There can be no difficulty in explaining why individuals and groups in our society have lost trust in the government. There is no mystery about it. The government, seemingly by design, provides the framework for this loss of faith and trust. It should be noted that the program involves a domestic consumption of some 34 million pounds of product. Present retail prices average approximately 75 cents per pound. Thus, the removal of the subsidy increases the cost of the product by 41 per cent to \$1.19 a pound.

It is estimated that this price increase will reduce domestic sales by about one-third, or approximately 12 million pounds.

Adjournment Debate

The government presently supports skim milk powder to the level of 72 cents a pound, yet the world market price is approximately 20 cents a pound. This means that the Treasury and the dairy farmers through their export levy share losses of about 52 cents per pound. The cost, or losses, in disposing of 12 million pounds could be expected to be in the neighbourhood of \$6.25 million. Consequently, the cancellation of this program will not mean a saving of \$13.5 million but rather a sum closer to about half that amount.

The Minister of Agriculture has taken the position that the program was dropped because a Statistics Canada survey showed low utilization of the products by lower income families. One wonders whether regions of the country where the only available source of milk supply is skim milk powder were included in the survey.

● (2222)

I do not wish to leave the impression, Mr. Speaker, that I am placing into serious question the actual findings or the accuracy of that study. Obviously it does provide reason to pose the question to the minister as I did yesterday, regarding what portion, if any, of the \$4 million advertising budget to be spent on the promotion and sale of dairy products was spent on the promotion of skim milk powder. The minister said he was not in the position to answer that particular question.

My suspicions were confirmed late yesterday in committee when I found out that not one dollar of that \$4 million budget was spent to promote the sale and use of skim milk powder. If the government had no intention of advertising this product, I suggest some commitment should have been made with the supermarkets to perform that function. No doubt they could do a much more effective job anyway.

This decision, taken without a word of consultation, slaps the producer, the consumer and the processor square in the face. If this program has to be cancelled I suggest it should be phased out over a period of three to five years. But it must continue in areas which have no available supply of fluid milk without limitation. It should continue in areas of high unemployment and areas where the wage rates are less than the national average. The government has signalled its desire to develop an over-all food strategy or food policy; it has even taken the first step. It is only by working in concert, not in conflict, that such a policy will ever be achieved. That policy will have to be workable, acceptable and practical. Unilateral actions in the complete absence of consultation will prevent such a policy developing.

I hope when the parliamentary secretary responds to me in a moment he will shed some light on the survey which the minister spoke about yesterday. I hope he will give some indication that the department will reconsider its decision, and that he has the good sense to accept some of the suggestions that I have put forth tonight.