

Business of Supply

for Saint-Hyacinthe. I am surprised that he did not speak about all the good things we are doing in his constituency. We have just signed an agreement for a large agricultural complex in his area. Knowing him and how charitable he is politically, I am surprised that he has not mentioned that. I am also surprised that he has not mentioned the fact that we have entered into an agreement in his section of la belle province to assist them with their problems with surplus production because of weather conditions last year and not very high grade maple syrup. We did not have to enter into such an agreement but we did, and it resulted in half a million dollars to the people in his area. I am also surprised that he did not say how much money we are putting into the veterinary school at Saint-Hyacinthe. We are doing so much in his area, and he is saying so little about it!

Some hon. Members: Hear, hear!

Mr. Wagner: I only had 20 minutes.

Mr. Whelan: I would also say, Mr. Chairman, that the hon. member has made some pretty fatuous statements on the dairy policy. He is building up the hopes of the dairy producers, whether or not he realizes it, which he would not be doing if he realized the world-wide problem faced by all dairy producers and therefore by our producers also. Members of the European community show no sign of curtailing their production. Their surpluses are growing bigger and their treasuries are funding these surpluses. Some members of the European community are not too happy about that. For instance, West Germany does not have a dairy surplus, but they are contributing to the problem with the 1,600,000 tons of skim milk powder on the world markets at present. To suggest to producers that they should find a way of producing more of this commodity—a commodity which deteriorates—is deplorable, but in essence that is what the hon. member is suggesting.

The hon. member is suggesting also that I am encouraging production. We did not say that at all. We said to the producers that we would give them a decent income for their production, for their investment, for their labour, and for their managerial abilities. That is what we intend to do and that is what the producers will have under this program, that is, the producers who produce reasonable amounts of dairy products to take care of our necessities and of the export markets which we have developed over a period of years.

We must be realistic and recognize that the world price of skim milk powder dropped from over \$1,400 a ton to less than \$400 a ton in a little over a year. What is one supposed to do? We made an agreement with the producers. If the hon. member thinks it makes me feel good to say to the producers there will be a levy on their production, then he is mistaken. Let him not say that the federal government was not acting responsibly because we entered into that agreement. The producers knew what our production demands were.

The Canadian Dairy Commission has operated the industrial milk program successfully when compared with dairy operations in other parts of the world since 1966. They were in trouble one year, and now everybody says that there is utter chaos. This really makes me mad, Mr. Chairman. We are dealing here with a biological entity, a

[Mr. Whelan.]

cow. You cannot compare it to a factory where you can pull a switch and turn production on and off, turn people on and off, and put them on unemployment insurance. You cannot pull a switch on a cow, and you have to gear your production as best you know how.

I hear people criticizing the system we have now. Because of the perfect weather conditions, perfect pasture and perfect forage, things could not have been better last year and the productivity of this nation was high, plus the fact that farmers—and I know farmers as well, I think, or even a little better than the hon. member for Saint-Hyacinthe—used one third more dairy ration last year. Because of good haying and forage conditions we had the highest percentage of protein that has ever been measured. Protein makes good milk.

Dairy producers used one third more protein last year to get the most out of their cows. Some of them were told by the provincial milk marketing boards, "We know the agreement says that on April 1, 1976, your quota will be set and from then on you will be on a strict quota, so produce all you can." It was wrong for them to do that, and I told them so. I told them that in April when I announced the program last year, I told them that in June, and I told them that in September, but some of them did not pay much attention.

The hon. member has many producers in his area. The consumer and corporate affairs critic in his party from the Eastern Townships knows that producers there did not increase their production any more than 5 per cent. They are the ones who are being hurt most because they did not contribute to this problem, but they have to suffer the same as the ones who increased production by 40 per cent, 60 per cent, and even 80 per cent in some instances, knowing full well they will be in difficulty this year but hoping that there would be a quota by April 1, 1976. We just do not have the market for these products.

Hon. members should remember that only two years ago we were importing butter into this country. The Canadian Dairy Commission recommended that the Department of Industry, Trade and Commerce import 50 million pounds of butter so that butter producers would not be producing a surplus but there would be enough for the country's needs. We imported it from our Commonwealth neighbours and from some of the European countries to make sure we had butter, but now we have a supply of butter which is adequate for our own people. We do not have the great big surplus of butter some people are talking about. We can look after our needs in our own country. However, I want to repeat that neither I nor this government told them to increase their production. We said 5 per cent was all we wanted and all we could stand for the dairy year of 1975-76, and I can give some figures.

● (2030)

I gave some figures earlier, but we can go to the two main dairy producing provinces of Canada which produce industrial milk and compare April of last year against April of this year. Quebec is 20 per cent above last year, and Ontario is 15 per cent above last year. For the total nation as of the end of April of this year the figure is 15.9 per cent, nearly 16 per cent above last year. They are