

Dairy Policy

the province of Quebec—know something about the subject.

As concerns the riding of Shefford, it has the largest milk processing industry in the world, the Société coopérative de Granby and I happen to live in that town about 1,500 feet from that industry which is the pride of the province of Quebec.

It seems to me that we have the right to speak and that even if we are in the opposition, we can speak as sensibly as the hon. members opposite, and that if we transpose the problem and say in the House what the farmers think, what they have written to us, what they tell us when we meet them, we shall speak even more to the point.

I am afraid that I do not have much time, but I would like to quote from a letter written by a farmer to the hon. member for Bellechasse (Mr. Lambert) who unfortunately could not be here today, and I am sorry about this since he is our official spokesman on agriculture. But even if he is not in the House or in Ottawa, we have taken our responsibilities because we represent urban as well as rural constituencies.

A while ago the hon. member for Compton (Mr. Tessier) said: Who said that the government has not honoured its commitments?

I would not like to say that it is the Social Crediters or the Conservatives or the New Democrats, but I would like to quote a letter from a worthy farmer who runs a fine operation. He quotes figures which are truly representative of the situation of the dairy industry in Quebec.

Mr. Lambert, Member of Parliament for Bellechasse, Ottawa.
March 18, 1976—

And I am not ashamed to mention his name. This letter could have been written by an economist, and no economist could have stated the problem better than this farmer who lives with farming problems every day in his field, in his barn, on his farm and not in the offices of the Liberal government which hires economists to try and lull the farmers with false problems and say that farming problems are caused by weather conditions, by exports, by everyone except the government, and especially by the farmers, as the Minister of Agriculture suggested earlier.

Dear Member of Parliament:

Further to your request for information about the loss incurred by industrial milk producers I bring my case to your attention. During the first months of year 1975 the Canadian Federation of Industrial Milk Producers made a survey—

—that was done I suppose by the Canadian Federation of Industrial Milk Producers. They cannot be stupid, they represent farmers—

During the first months of the year 1975 the Canadian Federation—

I am sorry, Mr. Speaker, I do not have time to lose to help the hon. member if he is all mixed up—

—the Canadian Federation of Industrial Milk Producers made a survey to determine the cost of production per hundredweight of industrial milk for the period from April 1, 1975 to March 31, 1976.

It was not ten years ago that they made that survey, but April 1, 1975 to April 1, 1976.

That price was set at \$11.60 per hundredweight of milk plus escalation every three months. That was the target of all producers.

[Mr. Rondeau.]

If the government does not know where it is going in the area of agriculture, farmers do. What they wanted to get was \$11.60 per hundredweight of milk.

At the beginning of the month of April 1975 the Minister of Agriculture of Canada, Mr. Eugene Whelan, announced the new long term national policy; the basic price set at that time was \$11.02 per hundredweight of milk. The difference of 58 cents results from the refusal to cover management costs, or 5 per cent. The Minister has stated that the basic price—\$11.02—would be escalated on a regular basis during the next five years. So here is a table summing up the situation.

Speaking of a long term policy the minister is right in saying that he already announced it because farmers tell us the minister had promised to escalate that price every five years but he did not keep his promise. I continue reading from the letter:

Breakdown: April 1975—C.F.I.M.P. target price—\$11.60 . . .

The Acting Speaker (Mr. Clermont): Order. The Minister of Agriculture rises on a point of order.

• (1730)

[English]

Mr. Whelan: Mr. Speaker, I rise on a point of order. Again I hope the hon. member is not trying to mislead the House because this program was indexed every quarter and input costs, etc., were all calculated. We said we had support of \$275 million for one million hundredweight of milk. We have not wretched one bit in respect of that program, and have been paying 100 per cent of what we said we would. That index was used and it is being used today.

[Translation]

Mr. Rondeau: Mr. Speaker, I don't believe this is a point of order, and anyway I will not reply to it. I would let the farmer speak, he may find his way faster through the indexation than the minister himself. I go on quoting:

C.F.I.M.P. target price—\$11.60; export costs: 15c.; anticipated net price: \$11.45.

Decreed by C.D.C.: \$11.02.—received \$10.94; export costs 45c.; anticipated net price: \$10.57.

Conversion cost increase at the plant: 8c.—\$11.02; export cost: 45c.; anticipated net price: \$10.49.

July 1975—Export cost increase:—Base price: \$11.02; export costs: 90c.; anticipated net price: \$10.04.

Export costs are in the order of 90c. per hundredweight of milk. The immediate levy is 65c.; the 35c. differential is covered by a \$40 million margin credit by the C.D.C. Producers will have to repay principal and interest before 1980.

It is a loan.

I will now show you the results of the cuts in the estimates, based on certain percentages since September 1st, 1975. The subsidy rate is \$2.66 per cwt containing 3.5 per cent of fat or 76 cents a pound of fat. Since the last figures issued by the Dairy Commission, the \$2.66 per cwt of milk should become, after figuring out the expeditions at the end of March at \$2.26 per cwt, which amounts to a production of 516,342 pounds of milk and a loss of subsidies of \$2,065.37, which I did not anticipate in my operation. In addition to that loss, the proceeds from milk do not compensate for the cost of producing that milk.

Here are the figures which were calculated in a survey and not by Social Credit members, not by government economists who are paid to defend the stupidity of the