

in this House in which I outlined the storage facilities for storing surplus dairy products in Canada and all dairy products in Canada. It is on the record. So far as I am concerned, when he refers to "so-called surplus production", I hope the hon. member is not suggesting that 103 million pounds of skim milk powder unsold is not a surplus production.

MINISTER'S POSITION ON FEDERAL CONTROL OF DAIRY INDUSTRY

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the same minister. May I ask the minister whether it is his personal belief—it may not be government policy at this stage—that the milk producers and milk consumers would be better served if the control, including quota allocation, were at the federal level whether it be producer-elective or government control. Is it the minister's view of the milk industry that those two groups, the producer and consumer would be better served by federal rather than provincial control of that industry.

Hon. E. F. Whelan (Minister of Agriculture): I can only say that at the meeting I had last week with two provincial ministers I said if you want us to disband the Canadian dairy policy and the Canadian Dairy Commission say so. They said, "Mr. Minister, the reason we are here is that we believe in it; we believe it can work and we want to make it work". I repeat, if they want to blame me for all this, let them give me the authority to run it and I can run it a hell of a lot better than it is run now.

● (1430)

Some hon. Members: Hear, hear!

Mr. Jarvis: That is my question. May I ask the minister if he is presently of the opinion that federal government control of the dairy industry is in the best interest of producers and consumers alike, and did he advance that argument to the two ministers when he was having this discussion last Friday?

Mr. Speaker: Order, please. With due respect, that is a repetition of an earlier question.

Some hon. Members: He did not answer it.

DELAY IN RECEIPT OF MILK SUBSIDY CHEQUES FOR MONTH OF APRIL—GOVERNMENT ACTION

Mr. R. E. McKinley (Huron-Middlesex): I hope the minister will not say that this problem is partially provincial. The federal milk subsidy cheques for the month of April should have been received by the producers this month. According to producers in my area, they have not received them yet. Can the minister advise us when they can expect these cheques, because that would help the situation to some extent?

Hon. E. F. Whelan (Minister of Agriculture): I talked to the chairman of the dairy commission. I understand that the cheques have been mailed. If they have not been, I will want to know why. Also, the supplemental cheques, the final payment for the dairy year 1975-76, have been mailed.

Oral Questions

ANTI-INFLATION PROGRAM

POSSIBILITY OF CHANGES IN PRICES AND PROFITS REGULATIONS IN VIEW OF OBJECTIONS FROM SOME SECTORS OF BUSINESS

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. As the Minister of Finance and the Anti-Inflation Board have requested submissions from businessmen affected by the new draft regulations as foreshadowed in the May 25 budget, and considering that the substantially changed regulations, many of which are retroactive, could be unnecessarily disruptive to orderly business operations, would the minister tell the House to what extent he is prepared to modify the draft regulations in response to the objections of business? Specifically can he tell the House whether termination of the cost pass through method and the reduction of allowable margins to 85 per cent are policies on which the AIB and the administration are prepared to negotiate, at least with respect to certain sectors of the business community where there appears to be particular inequity if the new rules go into effect?

Hon. Donald S. Macdonald (Minister of Finance): In general terms we would like to have the regulations affecting everybody in the same way, so far as possible. We recognize that there are different types of businesses and different types of institutions as, for example, the financial institutions which must have necessary changes in regimes. Prima facie our preference is to do away with the cost pass through rule and to put all firms on the profit margin basis with 85 per cent as the percentage for the base year. I cannot be certain that in the finality there may not be a variant on that, but substantially that will be the principle to which we will adhere.

REQUEST FOR EXAMPLES OF INEQUITY THAT MIGHT HAVE CAUSED HARSHER PRICES AND PROFITS REGULATIONS

Mr. Sinclair Stevens (York-Simcoe): Noting that the minister in his budget speech indicated that the changes in the regulations were in response to perceived inequities in the control program, would the minister provide the House with an example of the sort of inequity which would have moved the administration and the AIB to impose a harsher regime on all firms?

Hon. Donald S. Macdonald (Minister of Finance): Without mentioning specific firms, it was found that within the same competing parts of the industry there were some firms which, because of computer facilities or otherwise, were able to put their business on a cost pass through basis and therefore develop a profit margin that was much greater than the profit margin that the competing firm would have under the profit margin rule. That was the kind of inequity that was occurring, and it was to overcome that difference in treatment that we sought to move to a total profit margin rule.

SUGGESTED REFERENCE OF PRICES AND PROFITS REGULATIONS TO COMMITTEE

Mr. Sinclair Stevens (York-Simcoe): Since many sectors in the business community have expressed dissatisfac-