

in respect of some imported cheese, and the mark-up is less on others.

Hon. members have made out that we do not pay any attention to the problems of dairy farmers. We knew, and they knew, last June that they were in trouble. We brought them in here in the early part of July and told them they had to do something about it. Some hon. members seem to forget what I told them last April when I announced the program for 1975-76. I said at that time I had enough money for a subsidy in respect of 100 million cwt. of milk, and no more. I told them they would have to stick strictly to that program.

**An hon. Member:** You were 20 per cent too high.

**Mr. Whelan:** I said I had enough money to support 100 million cwt. of milk.

**An hon. Member:** That was too high.

**Mr. Whelan:** When the final payment goes out, we will have paid the subsidy that we said we would pay on 100 million cwt. The producers increased production by over 114 million cwt., and maybe even more when the final figures are tabulated.

**Mr. Murta:** Your information was wrong.

**Mr. Whelan:** My information was not wrong. They should not have produced more than the 100 million cwt.

**An hon. Member:** You shouldn't have said it.

**Mr. Whelan:** We said that was all we wanted. You know, this is a dream to some of my colleagues in cabinet who always want more production. We asked for 5 per cent more production and we got 15 per cent more.

**Mr. Guay (St. Boniface):** If it is white, you say it is black; and if it is black, you say it should be white. You always say it is the reverse.

**Some hon. Members:** Oh, oh!

**The Deputy Chairman:** Order, please. The Minister of Agriculture has the floor.

**An hon. Member:** You are never wrong.

**Mr. Whelan:** The Canadian dairy farmers said that was okay. They said we would not have to worry, they would not even increase production by 5 per cent. That is what they told me. I can remember one fellow in Ontario who said, when I got into my biggest problem in respect of the surplus production of, I believe it was eggs, a couple of years ago, that this could never happen in the dairy industry because they had a supply-management system that worked. He was a long-time employee of the Ontario government and I thought, "By God, if he says that, that must be true; it must be factual."

It has been stated here that we have control over this. Every province in this country has a different kind of marketing system for milk. There are no two of them identical. The provinces have incentive programs with no consultation with us at all. They tell the farmers to increase their production. What are we supposed to do

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about that? I agree with the hon. member when he talks about passing the buck. There should be more control, whether through the Canadian Dairy Commission or a federal government program of some kind. There should be more central control if we are to have any plan or program that will work across this nation in an equitable and fair manner for the industrial milk producer.

You can consider the province of Ontario which has one over-all board marketing 54 per cent fluid milk and 46 per cent industrial, divided between industrial and some cream producers. Then you can go to Quebec where you have two separate organizations, one for fluid producers and one for industrial producers. You can then move to Manitoba where you have complete pooling, with one organization. If 60 per cent of your milk sold is industrial, you get paid for 60 per cent at the industrial rate and 40 per cent at the fluid rate. Actually, it is the other way around, with 60 per cent in Manitoba being fluid milk and 40 per cent industrial milk, and that is the rate they are paid for No. 1 milk shipped in that province. I think there is less controversy and less dissension in Manitoba. I am not saying there is not some, because I know better than that, but there is less problem there than in any other province that has an industrial milk problem. Some provinces do not have much of an industrial milk problem.

Let us check some of the figures in respect of supply. On the basis of a report dated May 5, with 85 per cent total industrial milk in Quebec the supply for April, 1976, was 15 per cent to 20 per cent higher than in April, 1975. In Ontario the supply of industrial milk in April, 1976, was up 15 per cent to 20 per cent over that in April, 1975.

**Mr. Peters:** But it dropped 15 per cent the month before.

**Mr. Whelan:** Yes, they had dropped some, that is right. We know that in Canada there were 200,000 dairy cows kept in production one year longer than they should have been. We know these have gone to market. I have met a lot of dairy farmers in Canada, many of whom have told me they made some mistakes. They are ready to share the responsibility for those mistakes, as we are ready to share some of the responsibility. I do not have that bad a time when I meet dairy farmers. Some of them blame me entirely, but the vast majority recognize that they were also at fault and do not blame me.

● (1700)

We told them last year that they should curtail production. They admitted that they were wrong and that their marketing boards should not advise young farmers to get into dairy production unless they had quotas. I think the province of Ontario is doing a very fair thing about quotas. They will distribute them to the young farmers who they think need them the most. It is about time they did that.

The hon. member for Lotbiniere asked whether we are trying to make it easy for all the rich people. That is what they were doing. Those who could afford to pay a high price for milk quotas were buying them. It was brought to my attention, through a letter the other day, that a quota was sold for \$16 a pound. An old disc on the farm that had not been used for five or six years sold for \$2,000 in the same deal. It would be worth about \$12 for scrap. This is how they get around the quota price. So I think the prov-