

Dairying Industry

Quebec on their last December deliveries. Producers in those two provinces will receive the full rate of the subsidy of \$1.25 per 100 pounds of milk on the basis of their subsidy eligibility quota.

In place of the holdback from the subsidy there will be a levy on the market price paid to producers up to March 31, 1971, of 26 cents per 100 pounds of milk on deliveries by a producer to his market quota and a levy of \$2.40 per 100 pounds of milk on deliveries in excess of his market quota. These levies will be collected by the provincial agencies and the funds remitted to the Canadian Dairy Commission to offset costs in disposing of surplus products.

• (2:30 p.m.)

The agreement also applies to cream shippers in Quebec. The levy on cream to be collected is 1 cent per pound butterfat on deliveries up to the producer's market quota and 50.28 cents per pound on deliveries in excess of his market quota.

Although the agreement now covers only Quebec and Ontario, other provinces are considering entering into a similar program and the present agreement provides for replacement by another which would be open to participation by the appropriate agencies of any province.

I wish to congratulate the provincial marketing agencies of these two provinces and the Canadian Dairy Commission on achieving this agreement as well as the farm organizations which have fostered and supported the plan. It is an example of how a co-ordinated approach by national and provincial agencies and producers can operate for the benefit of farmers and their industry. It is our hope that this type of co-operation will be extended to other areas of agriculture through the national marketing bill now before the House.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to say, on behalf of my colleagues, that we consider the minister's statement as being a very valuable and a very fortunate one for the producers of Quebec and Ontario.

I also wish to congratulate provincial marketing agencies which did their best so that, as long last, this agreement could be signed. In fact, I believe that this will be done today.

I have received a copy of the statement a few minutes ago and I would like to comment briefly on it.

Undoubtedly, this statement is in itself a good thing, but it would be erroneous to think that it will bring about better days for all milk producers.

It might be well to go back to last year, at a time when dairy policies had been quite stormily discussed. I well remember adverse criticism of the "penalization" which, according to the minister's statement, is finally being abolished, a penalization which was fatal for a number of producers both in Ontario and in Quebec. That is certainly good news for those still involved in the dairy industry.

[Mr. Olson.]

Nevertheless, Mr. Speaker, I still regret that no assurance was given to dairy producers that there would be free distribution of milk in schools and shelters ensuring additional consumption of our surplus production.

We had hoped that a pension scheme might be established for older farmers forced to give up dairy production, and also retraining courses for younger ones who want to earn their living in another field because their operation is not profitable enough.

In the light of the current increase in the cost of living and in costs, I would have hoped that the support price would be raised to \$10.

I trust that these few comments will be considered by the minister and that following this excellent news our milk producers will also be able to expect to fare better, which can only be achieved through the enactment of a policy which is more human than the previous one. This government must do away with the disincentive policy which resulted in a large number of milk producers being forced out of business and who have been on welfare for year or two.

I hope the Minister of Agriculture (Mr. Olson), being aware of such problems, will shortly announce a new policy in the best interests of milk producers, not only in Ontario and Quebec, but throughout the country.

[*English*]

Mr. A. P. Gleave (Saskatoon-Biggart): Mr. Speaker, as the provinces of Ontario and Quebec and the producer organizations concur in the program which has been developed, I assume that it is reasonably satisfactory to the producers in those provinces. This may be too much to assume in that similar programs introduced in the past have later proved to be unsatisfactory to a considerable number of producers.

The minister's statement implies that other provinces will participate in this program on the basis of this agreement. It seems to me that the other provinces, particularly those in the west, will be faced with the situation of two major provinces having reached agreement on a pattern and the other provinces being called upon to sign a protocol. I am not sure whether the protocol will serve these other provinces well.

It is not made clear what deduction will apply to cream shippers in other provinces if they participate in a similar agreement. In fact, the situation of the cream shippers in other provinces is not necessarily the same. What will happen to the cream shippers in Saskatchewan who, in desperation, have been producing cream without benefit of the subsidy because they have no other way of obtaining funds? What will be the amount of their deduction if they come into the plan? The minister stated that another agreement will be signed and we do not know what that agreement is.

The minister also stated "It is our hope that this type of co-operation will be extended to other areas of agriculture through the national marketing bill now before the House." If the national marketing bill is