

*Oral Questions*

credit and with other organizations in this country, will there be any immediate financial assistance?

**Mr. Whelan:** Mr. Speaker, we have already made a statement about the debts in respect of the Farm Credit Corporation, and have said that if their income has been affected as a result of something that was not their own doing the Farm Credit Corporation will not even collect the payments and not collect the interest. There will actually be a moratorium in respect of those debts. If the lifting of the monthly quota program we have at the present time will alleviate any of the responsibility we have said we will consider it. We are considering that. The government has put \$86 million more into this program this year than it did last year. We put in more money and that was contrary to what the dairy farmers of Canada had agreed to. They said they would get more in their returns from the market prices, and instead of that we are following a policy which is contrary. We increased the subsidy to dairy farmers and increased the total amount of money available for borrowing, thereby jeopardizing other agricultural programs in Canada, because we feel the dairy industry is that important.

PROPOSED INTRODUCTION OF SCHOOL MILK PROGRAM—  
GOVERNMENT POSITION

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, perhaps I should direct my find supplementary question to the Prime Minister. I would ask that right hon. gentleman, if I may, whether, as a result of the over-supply of milk in this country and the drop in consumption of some dairy products, his government would give serious consideration to the introduction in this country, in conjunction with the provinces, of a school milk program, and at the same time reinstitute the five-cent subsidy that was on fluid milk until about a year and a half ago?

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, any suggestion having to do with children of school age is worth considering. I just want to point out to the hon. member that this is essentially an area within provincial jurisdiction, and since it calls for an increase in spending I am not sure I would have the support of the provinces in advancing such a program. I will ask that it be considered.

[Translation]

PROPOSAL MINISTER CONSULT PROVINCES AND PRODUCER  
ORGANIZATION TO FIND SOLUTION TO PROBLEMS OF DAIRY  
PRODUCERS

**Mr. André Fortin (Lotbinière):** Mr. Speaker, I would like to direct a question to the Minister of Agriculture.

The minister does not get his feet wet by saying that the blame rests either with the producers or with the provinces, but he still is the one who advocated this dairy policy. Given the fact that he has partners for the application and implementation of that policy, which are provincial governments and federations of fluid milk as well as industrial milk, instead of looking for someone to blame, would the minister be prepared today to undertake positive discussions with his partners in the application of that policy, in order to find, as the hon. member for Joliette said, positive solutions, since several thousand producers

[Mr. Nystrom.]

will have to give up that production if they do not receive some assistance? The minister, Mr. Speaker, has recognized the problem by freezing certain mortgage payments on some farms.

Is the minister prepared to take positive steps, along with his partners, to find a solution as quickly as possible?

[English]

**Hon. E. F. Whelan (Minister of Agriculture):** Mr. Speaker, the very fact that we met with the provincial ministers of the two largest dairy provinces last week and discussed this problem in great detail at a lengthy meeting shows the concern we have for this problem. I am ready to accept that part of the problem which happens to be mine, but the suggestion that it should be 100 per cent the responsibility of the federal government and myself, as some people suggest, I do not accept. That is not a fact. We did not encourage all-out production when some of the provinces told the producers to produce all they can because they will have a quota next year. We never suggested that. We can prove what we told them to do last April when we announced the program.

The policy is a good one. It is one they agreed to, and if they had adhered to that kind of policy they would have no problem. We are going to try to solve it as I said in a fair and equitable manner between the producers and the provinces and ourselves. I do not blame producers solely for that, as the hon. member said, because I said the producer organizations certainly knew well we wanted 100 million hundredweight of milk and no more last year. We said we had no money for any more milk than that and that to produce any more would be a waste of product. They had excellent growing conditions. A cow is a biological entity and responds to all good things.

**Some hon. Members:** Hear, hear!

**Mr. Whelan:** All these things compounded a situation that would be the envy of many of my colleagues in the cabinet if they could get the people they are responsible for to become so productive.

[Translation]

REQUEST FOR INQUIRY INTO PROBLEM OF OVERPRODUCTION  
OF MILK

**Mr. André Fortin (Lotbinière):** A supplementary question, Mr. Speaker.

The Minister of Agriculture keeps on repeating that there is significant overproduction from which stems the disastrous policy that we must endure now. Is the minister in a position to order today or very shortly a very extensive and serious inquiry conducted by independent people into the real situation of that so-called surplus production in our warehouses? At the same time, could the minister determine the cost of warehousing the quantity in stock because, according to our sources of information, the government allegedly paid much more than needed for stocked surpluses, and is he prepared to let the House check on the facts that only the minister possesses?

[English]

**Hon. E. F. Whelan (Minister of Agriculture):** Mr. Speaker, I recently answered a question of an hon. member