

*Dairy Subsidy Payments*

I noticed that one thing seems to have been omitted from the statement. It is my understanding from reading some of the press that the nations which comprise the North Atlantic Council have indicated that instead of reducing their budgets for arms they in fact intend to increase them. If this is so I hope Canada has no part in that particular decision because if anything is clear it is that we must reduce and not increase the mad momentum of armament which exists at the present time.

I am glad also to note that the Secretary of State for External Affairs engaged in consultation on trade matters with the leaders of the European Economic Community. This would seem to be of vital importance to Canada's interests. I was interested to note that the minister had conversations with the Acting Foreign Minister of Greece. Naturally I was pleased to note that the minister made clear to him that so far as Canadians are concerned there is a deep and strong concern for democracy in Greece. I would have been more impressed had the minister told us that Canada has joined with other countries in NATO where the matter should be raised, countries such as Denmark and Norway, in saying that the activities, attitudes and policies of the military dictatorship in Greece and the policies of the dictatorship in Portugal are diametrically opposed to and inconsistent with the basic principles that NATO is supposed to defend. I would have thought that was the place, not in private conversation, to raise the issue of democracy in Greece and indeed in Portugal.

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**AGRICULTURE****ANNOUNCEMENT OF CHANGE IN DAIRY SUBSIDY PAYMENTS**

**Hon. H. A. Olson (Minister of Agriculture):** Mr. Speaker, I wish to announce a change in the policy of dairy subsidy payments which will be of particular importance to smaller cream producers. The change will apply to shippers who held a subsidy eligibility quota at any time since 1967 but whose eligibility for subsidy was later withdrawn because they delivered less than 420 pounds of butterfat in a year. It will permit people in this category to again become eligible for subsidy if they deliver 420 pounds or more in this or a subsequent year. The new arrangement will start in the present dairy year. Those whose quotas were withdrawn previously and who deliver 420 pounds or more between April 1, 1971, and March 31, 1972, will be paid subsidy on their deliveries during the year, up to their quotas.

• (2:30 p.m.)

If a shipper's quota was withdrawn in 1969 or in a later year, his reinstated quota will be the same as that which he held at the time it was withdrawn. If his quota was withdrawn in 1968, his quota will be for the amount of his deliveries in the 1966-67 year or 420 pounds, whichever is the greater.

The payment for this year will be made at the end of the year, but for next year they will be reinstated for the regular subsidy payments on their monthly deliveries.

[Mr. Brewin.]

The same procedure will follow in subsequent years. If those involved have deliveries of less than 420 pounds this year but reach that figure in the 1972-73 year, they will be reinstated at the end of that year.

**Mr. R. E. McKinley (Huron):** Mr. Speaker, with regard to the statement made today by the Minister of Agriculture (Mr. Olson) that the subsidy eligibility quota will be returned to producers, all I can say is that the subsidy eligibility quota should never have been withdrawn from them in the first place. I can well remember that the Minister of Agriculture was so advised by members of the Official Opposition at that time. I have to say that the operation of the Canadian Dairy Commission under the guidance of this minister has certainly left a great deal to be desired.

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

**An hon. Member:** Resign.

**Mr. Bell:** You have milked your last cow.

**An hon. Member:** Off to the Senate.

**Mr. McKinley:** We can remember that a year or two ago a great deal of money was deducted from payments to producers, and it cost producers a great deal to sell on world markets. We have gained access to world markets but in the meantime the policies of the Canadian Dairy Commission have so curtailed production in this country that we can no longer fill those world markets.

**Some hon. Members:** Shame.

**Mr. McKinley:** I believe that new advisers are needed in the Canadian Dairy Commission as well as in the Department of Agriculture. In order to make a good job of filling world markets and in order to regulate production, plans must be made four or five years ahead. This government has been unable to do that so far as grain or milk or almost anything else that you can name is concerned. So we would like to see some improvement in that regard.

**Mr. A. P. Gleave (Saskatoon-Biggan):** Mr. Speaker, I hope the minister and those responsible have some method of adequately notifying the shippers in the various categories to which the minister has referred. I may tell the minister—and I think he knows it—that since this policy has been in effect in western Canada and in Saskatchewan in particular those of us who represent farmers in that area have had to deal with farmers whose eligibility quotas and therefore their payments have been cut off. I may tell the minister that only last week I was still receiving representations from farmers in that area. Perhaps if a real effort is made the minister's department will be able to correct some—I stress the word "some"—of the hardships they have imposed on the small farmers in Saskatchewan and indeed in Manitoba and Alberta. It may be that they will so reorganize their affairs as to allow the dairy industry to produce in sufficient quantities to serve the needs of the nation.

It seems strange to me that the department has managed dairy affairs in Canada so badly that, according to information received in answer to questions put in the Committee on Miscellaneous Estimates, we will be importing ten million pounds of butter from the United States at