

Dairy Subsidy Holdback Rates

Chair is to inquire whether there is unanimous consent as required by the terms of Standing Order 43. I therefore ask if hon. members, having heard the motion proposed by the hon. member for Wellington, give unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

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AGRICULTURE**ANNOUNCEMENT OF REDUCTION IN DAIRY SUBSIDY HOLDBACK RATES**

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I wish to inform the House that the Canadian Dairy Commission will reduce the rate of holdback from payments to industrial milk producers, for milk within quotas, to 20 cents per 100 pounds, effective June 1. The previous rate has been 26 cents.

The holdback on over-subsidy quota milk will be reduced from \$1.25 per hundredweight to \$1.05, and the comparable figures for cream will be from 8 cents to 5 cents per pound of butterfat. For deliveries over market quotas, the holdback will be reduced from \$2.40 per hundredweight to \$2.05 for milk and from 50 cents to 30 cents per pound of butterfat for cream deliveries. These changes in holdback will directly increase producers' returns by an equivalent amount.

The funds collected from the holdback are used to recover costs of export assistance on surpluses which have to be disposed of below Canadian support prices.

The present reduction is in keeping with the principle of adjusting the rate of holdback as conditions change. There has been a considerable recent improvement in world market prices for dairy products, although the price for skim milk powder, which is the main surplus product, is still below Canadian support levels.

While the world situation is favorable at present, there are some indications that present prices may not continue through the full fiscal year. Since it is not desirable to change the rates of holdback too often, the present rate has been set in the light of the necessity of projecting the position for some time into the future.

Should the revenue to the commission from the holdbacks exceed the funds required to dispose of surpluses produced during the present fiscal year by any significant amount there will be a refund to producers after the end of the dairy year which of course is March 31, 1972.

The commission is also establishing and will announce consequential changes in the rates of holdback on deliveries in excess of quota.

It has been possible to take this action to reduce the holdback because of the improved international situation brought on by recent and remarkable changes in the dairy surplus picture throughout the world. As I am sure

[Mr. Speaker.]

members will appreciate, it is not possible for Canada, through its internal policies, to significantly affect the world supply although it cannot help but have a bearing. We have, however, been active in the international field and I would cite the skim milk powder agreement negotiated under GATT. It is our hope that the type of international co-operation that has recently existed will continue to the benefit of all concerned.

Mr. R. E. McKinley (Huron): Mr. Speaker, I am happy to note on behalf of my party that the minister has finally listened to some of the representations which have been made to him in this regard by the official opposition. In view of some of the problems the farmers' unions have in getting the ear of the Minister of Agriculture, I am happy to note also that he has listened to some of their representations in this regard. I should like to read a portion of their representation made earlier this year. They said:

On a world scale, it is undeniable that 1971 was a year during which the dairy products market experienced an improvement. The enormous mountains of butter and powdered skim milk which were accumulated in North America and in Western Europe, have been considerably reduced—

Mr. Speaker: Order, please. I have to interrupt the hon. member. There seems to be some irregularity about hon. members taking the opportunity provided by the Standing Orders when commenting on a ministerial statement to put on the record statements made outside the House by other people. I really do not think it is quite in order to follow that course of action. I would invite the hon. member to submit for the consideration of the House and the benefit of all hon. members his own comments at this time.

Mr. McKinley: I agree, Mr. Speaker. I think I have read enough to let the House and the people know that the minister does occasionally listen to these people. It is rather ridiculous sometimes that farmers' organizations and others have to bring these things to the attention of the minister time after time before they can get him to act.

One thing is missing from this statement. In respect of the increase that will come to the farmers as a return for their milk production, nowhere in this statement does the minister promise that there will be no reduction in the subsidy in the future that would take this money away from them. When the increase in the price of powdered skim milk was announced some time ago I questioned the minister in an effort to get all this return for the farmers but in the end only half of it got to them.

● (2:20 p.m.)

Now the Minister of Finance fools around—

Mr. Bell: He sure does.

Mr. McKinley: —with financial arrangements in this country. We in the Conservative party believe that if we had a prosperous agricultural economy throughout the country many of our unemployment problems would be