

*Business of Supply*

sumer critic of the official opposition. For he told me in this House that I paid the dairy farmers of Canada too much money. I trust he told the hon. member what he thought about that statement.

I am also wondering, Mr. Chairman, where the hon. member gets his information. One source of his information was the *Ottawa Journal*. I know they often quote him, but they do not quote me very often. We all know the certain leaning that this Free Press periodical known as the *Ottawa Journal* has. If the hon. member is getting his information from this worthy—well, I am getting too complimentary of that paper, so I had better behave.

The hon. member also made reference to the somewhat controversial discussions that have been taking place between the former chairman of the Food Prices Review Board and myself. These may have concerned some people, but I think a lot of good has come from them. The people of Canada have never been better informed about food costs, food production, and so on. All during my long career in the public service before I came to this place no one paid very much attention to talk about food, but everyone is concerned about it now.

We conducted an official survey in Canada of what people think about food production, and the majority of the Canadian people think there should be a strong agricultural economy. They believe that what the Minister of Agriculture is saying is enough to prove this. I do not remember hearing the hon. member say this, but I did see a copy of what he was going to say about who is going to be where when we hold the thirty-first parliament. If he really believes that, then I can show him a survey that would kind of scare him, which is an indication of what the people think about what this government is doing about food production, what the government is doing about agriculture generally, and what the people want it to do.

The hon. member has talked about dairy policy. Many people have been saying that I am responsible for getting the government to pay the dairy farmers of Canada too much money, and as a result there is overproduction. Neither of the speakers of the opposition parties was so complimentary to me today; they just gave me a little bit of hell about what I have done or about what I am not doing.

When we talk of the dairy industry, we have to face facts. The agreement we have was heralded by the dairy producers of this country. The dairy farmers of Canada are some of the most efficient in the world. We worked out a policy with them whereby they would agree to participate as partners. They would be responsible for putting surplus products on world markets. We did not force this policy upon them; it was worked out in many meetings and consultations with them, and they agreed to it. In reply to the hon. member for Elgin, there has never been a time in our history, and records will show this, when there has been so much consultation with any group as there has been with the dairy farmers of Canada in trying to work out a stable and satisfactory dairy policy for them.

● (1650)

The hon. member for Timiskaming talked about the Prime Minister going to Europe, trying to establish a contractual link, and the fact that we might possibly import 10

[Mr. Whelan.]

per cent of our cheese from other countries of the world. We do not import cheese just from the European community. We import cheese from 26 countries, I believe it is. How could we possibly manufacture more than 75 per cent? Twenty-five per cent comes in in such small, minute amounts that no producer in Canada would even set up the facilities to process and manufacture that amount because it would not pay. None of our producers would do that, and they have told me this themselves because they could not possibly make it pay.

When we put an import quota on cheese of 50 million pounds, this was heralded by the dairy farmers and processing industry in Canada as a step in the right direction. They said that at least under these circumstances they knew what to plan for. If we banned all cheese imports to Canada we would not get rid of 20 per cent of our surplus. Yet the hon. member suggests this would be a step in the right direction. I do not hesitate to admit that I have not recommended that we ban every bit of imported cheese, because I know we could not manufacture some of this here in Canada. We have negotiations going on at the present time regarding cheese coming into Canada that is subsidized and supported by the country of origin. The United States has been successful in its negotiations. Cheeses that are supported or subsidized to a great extent are not imported into that country any more.

We are condemned for our dairy policy. Many people say we are too restrictive. The United States is more restrictive when it comes to dairy production than we are, yet people point to that country as a great trading nation. We have nothing to feel guilty about when we suggest we should be negotiating with those countries that support or subsidize cheese. I can take you to cheese factories in Ontario and in other parts of Canada that have real salesmen. They conduct tremendous advertising campaigns to sell their products. They have increased their productivity by 22 per cent, and they increased their sales by 22 per cent in 1975. You can check those processing factories that are doing this and you will not find that their sales have gone down. On the contrary, they have increased their sales in Canada to the same extent as the sale of imported cheese has increased.

One man told me last year that he did not know what he would have done had it not been for the mail strike. I asked him what he meant, and he said he could not have filled all his mail orders for cheese packages. He told me the most he had ever shipped in the past was 100,000 packages, and in that year he had shipped 122,000 packages. He has a mail order business and ships cheeses mostly during the Christmas season. This is the sort of thing we are missing the boat on in Canada. We are not selling our cheeses the way we should as compared to other countries. Just look at their ads and their salesmanship, or whatever you want to call it. They conduct sales programs for their products in Canada. They are selling all the cheese that we import here, and they are selling it at a very high price, as the hon. member for Timiskaming suggests. We know the mark-up on cheese in most stores. If someone tells you he is not making any money on butter and he has a cheese counter, just ask him how much he is making on that counter. There is an average of at least a 50 per cent mark-up on cheeses processed in Canada. The same is true