

*Dairy Policy*

to the surplus of 1975-76, whose effects must be distributed over the next years and particularly the dairy year 1976-77.

The problem is as follows: Who must pay in 1976-77 for the errors of 1975-76? What will be the payment conditions? And more particularly, will industrial milk producers and consumers be the only ones who pay? What will be the influence of such a decision on consumer prices, on the producer's income, on agriculture in general, and on the economy in rural areas bearing in mind that the Canadian dairy policy was at first designed to help both producer and consumer? Who will in fact bear and share the financial burden and what will the consequences be?

On this side of the House, we are confident we are talking after having proved our agricultural skill and efficiency. In discussing milk policy, in particular as far as eastern Canada is concerned, we are proud to be in an advantageous position and milk policy is a liberal policy, a policy which is clearly to the advantage of eastern Canada, and of Quebec in particular. And the year 1975 is a brilliant proof because if you read as we did about the income of different cooperatives like producers associations, it can be regarded as very satisfying. Even if we are proud, Mr. Speaker, we are aware of the adjustments which must be made; they will be included in the 1976-77 policy.

● (1710)

I too ask myself why our friends of the Social Credit Party opposite are suddenly concerned with milk producers. I have been a member of the Committee on Agriculture for two years and I wonder whether they represent rural constituencies and if so, where they are in the committee? I would like to give a precise example which has already been mentioned. We had three meetings with the Canadian Dairy Commission and we discussed precisely the dairy policy for 1976-77 while the representatives of the Social Credit Party were conspicuous by their absence. I would even say that I am surprised we have such a consistent policy because it has been established mostly by hon. members from urban constituencies. Today the members of the Social Credit Party do not know what to be concerned with, it seems so they suddenly turn to agriculture. One thing remains however: they discuss a subject they are not familiar with. They think they can get away with simply setting up commissions while they do not even take the trouble to check whether or not their demands are in keeping with the administrative capabilities of the country. In fact this administration is so complex that the only way a competent M. P. can make a meaningful contribution is by dealing only with local and regional grievances. Today's motion only vindicates what I have just said. Who said that the dairy policy proclaimed early in 1975 had been abandoned? It was not the government, it was the management committee. Who said that the dairy policy would not ensure the dairy farmer's income security? That was the management committee and not the government. Who said we should shut the door to all dairy imports since it is a well known fact that we have about \$250 million stocks and we keep hoping to sell those goods? So, I think that if we believe in trade we must also believe in buying. It is a matter of balance which we have just discussed.

Who said the subsidies would include the increased cost of inputs since this increase has been covered by an auto-

[Mr. Tessier.]

matic adjustment formula which is part of the 1975 policy? Who said the federal government should take over marketing? Must more be added to costs we already have a hard time to meet? Those are as many statements that prove our Social Credit opposites do not know the basic elements of our dairy policy, its objectives, nor to they know the partners in that dairy policy.

To discuss the matter requires competence, professional conscience and an understanding of administration, and not just a feel for political hay and "blah-blah", as the hon. member for Shefford (Mr. Rondeau) said, which more often than otherwise just mixes up the problems. Our position is known and clear, and our recommendation is this: That the support price for 1976-77 be set at \$11.40. We recommended that the subsidy be kept at \$2.66 a hundred-weight of milk, that the quota be set at 95 million hundred-weights of milk and that the levy, in fact, be set at a maximum of \$1, conditional upon an agreement between the parties, so that once and for all it is recognized that export costs must be covered by that levy. There are implications here for the government and we have just asked the Treasury Board, merely for holding the subsidy at \$2.66, for an amount of \$40 million.

We also ask the Cabinet to respect and maintain the producer's income and the income indexing principle, as stated in the 1975 policy. Accordingly, we ask the Treasury Board to pay the amount of \$40 million since we claim that storage and interest costs must be paid by the government.

We also want the government to pay a larger share, but we reaffirm at the same time that exportation costs must be borne by the producers. This request is based on the fact that we want and require from the Cabinet the opportunity to have a profitable agricultural industry. We also want to have the assurance that our agriculture will be supported because we want to protect the economy of our rural areas. As the year 1976-77 moves in, if we want to talk seriously about this country a dairy policy, we have to raise the specific problem of surpluses. Various reasons can be put forward, but basically, I think that the Canadian Dairy Commission must be blamed for its lack of control. If it cannot provide a necessary and efficient control, it should be replaced.

Second, we say that the principle of maintaining income is acceptable, and we fully support it. Third, we blame the Canadian Dairy Commission for having changed the \$2.66 subsidy the government had committed itself to, and I think the Canadian Dairy Commission ought to honour this government's commitment.

Fourth, I suggest the Canadian dairy commission be modified as follows, in order to achieve full representation of the different partners to the dairy policy. On the government side, the Treasury Board, the Department of Industry and Commerce, the Department of Agriculture and the Department of Consumer and Corporate Affairs should be represented. On the side of the producers, let us have a representation of the Canadian federation of Agriculture, the federation of milk producers, and the UPA.

As far as surplus is concerned, I would like to mention a few specific reasons for it: first, I think that the 1975 surplus was due in part to the lack of effective and appropriate control by the Canadian dairy commission, and the lack of authority on the part of the Canadian supply