

*Marketing Act—Mr. Garland (Bow River)*

(b) The fixation of the estimated total market demand for hops of each season;

(c) The determination of prices, with reference to (i) costs of production; (ii) the rate of profit to be fixed, having regard to the growers' willingness to accept a fixed rate provided the brewers agree to purchase not less than the quantity put forward as their firm requirements for the purpose of estimating the total market demand; (iii) the nature of the undertaking the brewers' society are able to give in this respect, and (iv) the marketability of the crop;

(d) The administration of the "levy fund," if such is agreed to be established; and

(e) Any other relevant question which the brewers' society and the hops marketing board may agree to refer to the committee;

And the committee, having done so, are to make recommendations regarding the composition, functions and machinery of a permanent committee to deal with this question. You will observe that they had a board to begin with, and then tried to get a bill through to amend the act; but there were objections on the part of the brewers and a provisional committee was appointed to study all these questions which have been mentioned and to make recommendations for the setting up of the machinery of a permanent committee. The writer goes on:

A word of explanation as to the objections raised by the brewers to the hops marketing scheme which was presented to parliament may be in order. Although complicated in character, these provisions may briefly be described as an attempt to allocate to each registered producer who grew hops in 1932 a basic quota equal to his average annual quantity of hops picked during the five years 1928-32.

We will visualize the attempt to put something like this into effect throughout the millions of acres of the prairies.

This implies that any one who was not a grower of hops in 1932 could only be allocated quotas when the estimated market demand exceeded the existing basic quotas by ten per cent—that is, by about twenty-five per cent more than the present output. Even so, the conditions under which quotas were to be allocated to new growers might in practice prohibit newcomers from entering upon production, since any increased allocations are to be sold—

Mark that.

—at the discretion of the board, a preference only being given "so far as practicable" to those who bid highest for the privilege of being placed in the register.

Do hon. members see the significance of that? If there are any quotas over and above those allocated to the producers of hops in 1932, then these quotas are to be put up to auction, the preference being to those who bid the highest for the privilege of being placed on the register. We have

[Mr. Neill.]

heard comments on the restriction of production, but here we find liberty of production being put up at auction, so that no one can get a show unless he bids higher than someone else. There are vast possibilities in this connection, possibilities which we can imagine but do not need to deal with.

This article continues:

Brewers regard the quota scheme as in any event premature, since, as far as can be foreseen, the whole of the 1934 crop will be absorbed without difficulty. But such crop might be relatively a failure, in which event brewers contend that they would find themselves wedged between a marked insufficiency of home-grown hops and the need for competing in the world markets for supplies, and having to meet the high import duty of £4 per hundredweight on foreign hops and £2 13s. 4d. on British Empire hops.

The brewers affirm that the quota system over-rides the principle involved in these import duties, which were instituted to protect the English hop grower from a flooding of the market at home when world production was high. Their contention is that, as the only consumers of hops, they should not be subject to an import duty, to be paid by them, on hops not grown in this country, while at the same time the freedom to grow hops in England is virtually withheld from all but those who were growers in 1932. The Hops Marketing Board—which has the exclusive right to buy and sell hops and to fix the price at which they should be sold—is composed of eighteen members, and it is the complaint of the brewers that fifteen members of it are either hop growers or are associated with the hop industry.

I have not the next page under my hand but it observes that since this board started the price of hops has gone up from £3 per hundredweight to £15. I wonder where the consumer comes in. While it is difficult, reading something like this, to grasp the meaning, I put it on Hansard so that members of this house and the producers in the country can study it and observe all the complications. This is a scheme conducted in Great Britain, where producers are in a small, compact body, a small industry, and where the people, by long tradition, are naturally inclined to the carrying out of laws both in their spirit and in the letter. Yet, in a country such as that, all this confusion results, the market being tied up for six months, with no ultimate solution in sight, and with the price rising from £3 to £15 per hundredweight, the brewers complaining that on account of the restrictions placed on British production they may have to go into the foreign market in order to make their purchases, with the heavy foreign duty involved.

Will that help the producer? I say that if we are not exceedingly careful we shall find ourselves involved in one huge mess. I