

Local corporations have some definite advantages. They are able to move goods around the world and encourage manufacturing in developing or non-developed countries, but they also create serious problems. Sometimes the type of production activity, the type of product or the type of advertising may not be appropriate to the country in which they function. Very often third world countries are faced with many problems because of the nature of global corporations. That is not to say that we make a judgment whether global corporations are good or bad, but one has to say that some things global corporations do are not desirable and other things they do are very desirable.

The problem of control, which was one of the topics I raised when I appeared before the royal commission, is a very difficult one. Some of the efforts being made by UNCTAD, the OECD and other such groups are very necessary, as are some other multinational efforts to maintain some kind of regulation over global corporations, particularly in the area of tax transfers. There is a tendency to set up tax regimes which are not designed particularly for the benefit of the nation states of the world. These are some of the matters I dealt with in my submission to the royal commission.

Obviously, Mr. Speaker, I have not read through the 32 volumes of the report, but in the summaries I have read I was disappointed at the almost total endorsement without any real criticism of the nature of these forces. I was very disappointed for many reasons. I think the great concentration of power in the hands of global corporations could be a source of global depression.

One of the associate editors of *The Economist*, Norman McRae—no relative—published an article within the last six months in which he predicted some of the very grave problems facing us and the possibility of global depression because of the largeness and insensitivity of global corporations. He felt that only those global corporations that were able to decentralize their operations so that units in a given country, such as small factories, were able to function independently might survive this kind of depression. I think it is very important that we understand there are inefficiencies in global corporations attributable to bigness. A great deal of care must be taken to ensure that because of the largeness, the difficulty of administration, the remoteness—

● (2102)

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member but his allotted time has expired.

Mr. McRae: May I have just one more minute, Mr. Speaker?

Some hon. Members: Agreed.

Mr. McRae: I am just completing my remarks. Because of the nature and bigness of these corporations, there is great concern here. This concern must also be felt by the global corporations. In conclusion, I support the nature of the motion. I am very pleased that we will not be voting on this motion,

but it is one we can all discuss. We can raise points and make suggestions and, in the end, it is hoped we will have a much more viable small business community in this country.

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, this allotted day debate on small business is very timely indeed, particularly since it follows the day after the tabling of the Bryce commission report on corporate concentration.

About two weeks ago, during my nomination meeting in my constituency of Medicine Hat, I made this very short and succinct statement which I think is appropriate in this debate:

We should let the private sector operate with much less government restraint and involvement and, given such an opportunity, the private sector would stimulate far more jobs than any make-work projects by governments.

While it is obviously an over-simplification, it seems to me that statement, in a nutshell, is what the Bryce commission report had to say in its 450 pages which came out yesterday after three years of serious work. However, today I want to relate this small business theme to Canada's agricultural industry and, if time permits, to a few other local small business operations that are typical in my constituency.

The original small business in Canada, as in many other countries, is, of course, farming. Every farmer by any definition is a small business operator-manager. In the total picture, they are certainly the most important since they produce society's prime necessity, food. If there has to be a case made for private enterprise, then surely farmers lead the way. As a group, they are probably the last natural private enterprisers left in our society today.

Farming, at least many sectors of it, as a business has had some rather serious problems over the past three or four years. There are now some indications we are emerging from at least some of the short-term difficulties. I want to now examine some of these situations.

I want to make reference now to Canada's hog industry, especially in western Canada. Over the last three or four years, Alberta's hog population has dropped by about one million hogs. At the same time, Quebec's hog population increased by that same amount, about one million hogs. At first glance, it would appear that we have lost our western hog population to Quebec, but this is not so. We lost it to the United States.

Last year, 1977, Canada had to import 202 million pounds of pork from the United States. In that same year we exported only 20 million pounds to the U.S.A. The Quebec hog increase was the result of their provincial incentive and subsidy programs. However, in total we could not produce enough hogs to supply our own requirements. That was last year, and the same situation appears to be continuing now.

Why has this situation developed? I suggest that we lost those million hogs in the west because of a change in the price of our barley. Over that three to four-year period, western barley changed from three bushels for \$1 to one bushel for \$3. The small businessman hog producer made the obvious business decision to sell his barley instead of slopping hogs. It was the right decision under those circumstances.