

abolished dairy products subsidies. Knowing that Mexico needs this year wheat as well as milk powder, we suggested that they buy both from Canada. On April 6th we informed the Canadian Dairy Commission of this.

We had solid indication that Mexico was ready to pay more than \$200—higher per ton for milk powder than the February price of the C.D.C. but \$12-\$17 less per ton for the wheat than the cheapest available from Canada.

In other words, they were willing to pay \$200 per ton more for milk powder but \$12—\$17 per ton less for the wheat. The brief continued:

As an independent commodities trading company we felt this called for a combination deal in such proportion that Mexico would buy both from Canada—at least ten times the quantity of wheat—for the good of the country as a whole. But the Canadian Wheat Board sells only through its own agents. The CDC proceeded to sell the milk powder below the price the Mexicans were ready to pay and without selling one ounce of wheat.

The CDC's chairman no doubt feels pleased with himself when, not through his own merit but due to advances in world prices, he obtained a higher price than last year even though this price is below that which Mexico already paid to France the week of March 29, and it does not move any grain.

A typical example of the way State Enterprise operates. At the same time it takes away the livelihood of private firms by excluding them from the actual sales.

In the end, the Dairy Commission did not negotiate and sold the milk powder at less than they might have obtained. No attempt was made to get together with the other selling agency, the Wheat Board, to work out, for instance, an arrangement under which both agencies might have received an equitable return. To continue from Mr. Schäfer's submission:

If I were sitting in your place, I would move to abolish the CDC's power to transact export sales.

Government Agencies, Boards and Commissions should handle market regulation, the arrangements for shipping the merchandise, and paper work, but all sales should remain the domain of private enterprise; not the other way around. Sales must be negotiated by private firms not government officials. It does not create a healthy, vigorous, aggressive private sector if the agreements are already handed to them. This is part of the trouble with our grain sales.

This is not an isolated example. We put in years of pioneering effort to promote the sale of milk powder to the Mexican government purchasing organization, CONASUPO. In 1968 they wired us an invitation to their tender for 55 million pounds of milk powder. The Canadian Dairy Commission refused to give us a quotation, wishing to offer one themselves. The CDC refused even after we received a second telegram urging us to participate in the tender. The CDC did not get the business for Canada—it went to the U.S.A. The CDC ended up selling the surplus milk powder at almost half the price we had indicated to them we could reach in Mexico.

Again, the CDC sold the product at half the price the Mexicans had indicated they were willing to pay.

The following year, when we were finally able to participate in the tender, we secured the business for Canada.

Do you think this State Enterprise was able to tell us what merchandise in its inventories met the buyers' requirements? No, gentlemen. We had to employ surveyors to go to more than ten different warehouses and open sample bags from many lots to find the types the buyers wanted at considerable unnecessary expense. Can you imagine a private firm going after a contract from one of the world's largest buyers not knowing where in its inventory is the merchandise that the buyer wants?

So, in one year the CDC would not permit a private firm to handle the contract, and in the next, when the

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private firm finally secured this business, the CDC did not even know where to find the particular types of product the Mexicans had requested. This is a typical example of what is going on in connection with the sales of our farm products abroad. There is no denying the facts I have put on record. The minister can check the details with the firm of George R. Schäfer in Montreal and corroborate their accuracy. He can ascertain for himself the inefficiency of our state enterprises in this field, particularly of our international sales agencies. No attempt is made to co-ordinate sales policies.

● (4:20 p.m.)

For this reason, I say we should be extremely cautious before bringing three more grains within the ambit of the Wheat Board. At least we should not do so until the Board has mastered the selling of the products currently under its jurisdiction. The government is attempting to force too many of its projects on producers at the present time. Bill C-176 is an example. As we went across the country hearing evidence from organizations and individuals concerned, it was difficult to find out who had actually requested this type of legislation. To be sure, there were some people who wanted it. People engaged in the poultry industry, for example, felt strongly about it. Perhaps they could and should have had the legislation had the government seen fit to exclude from the ambit of the act those who wish to be excluded. We should not try to force producers into a situation with which they totally disagree.

It seems to me that if these grains are brought under the control of the Wheat Board, the government would be getting into agriculture more and more. We have had ample evidence given during the stabilization bill debate last week that, unfortunately, the government is becoming more and more involved in the regulation of agriculture and less and less involved in financial support. In other words, the government wants to control agriculture even further but is withdrawing its financial support.

I suggest the minister cannot deny that when the stabilization program does go into effect, with the withdrawal of the Temporary Wheat Reserves Act, PFAA and other measures, and with the government's non-support of deficits in grain pool accounts, it is obvious, the government is withdrawing its financial support and increasing its regulatory control. If this course is pursued, in the long run the agricultural segment of the population will, be under the thumb of the government. We shall return to a feudal system where the farmers are serfs of the state. Ample evidence that this is the situation in which people find themselves exists in many of the countries that have completely socialized their industry and agriculture. It soon becomes evident to these countries that workers do not work for the state in the same way that they work for themselves. A prime example of this fact can be found in Russia where Russian peasants produced more per acre from their own garden than they did on the great communal farms. As a result, I suggest we should be very cautious in allowing the government to dominate agriculture in this country.