

Canadian Egg Marketing Agency

Mr. McGrath: I rise on a question of privilege, Madam Speaker. I should like to set the record straight. I did not put forward the position that we favour a return to the law of supply and demand. I merely enunciated the facts as I have them at my disposal. I was quoting from the report of the Food Prices Review Board and I referred to the Forbes report. I do not think it was reasonable or fair of the hon. member to read what he did into my remarks.

Mr. Orlikow: On the point raised by the hon. member for St. John's East, Madam Speaker, I think today's *Hansard* will show very clearly that the hon. member did put on record the fact that the Consumers' Association of Canada called for the abolition of marketing boards and that Dr. Forbes is opposed to marketing boards. It is true that the hon. member for St. John's East did not say he agreed with the position of both those sources, but neither did he say he disagreed with it. I think any reasonable and disinterested person would, after reading his speech, come to the obvious conclusion, as I did, that since he quoted those two sources and did not quote anybody who supports the continuation of marketing boards, he supports the proposals made by those two sources.

Mr. Jack Murta (Lisgar): Madam Speaker, I think we must view the events of the next few weeks in two lights. Perhaps I view what is going on at the moment in a different light from other hon. members, because I am closely connected with agriculture within this party and in private life. If this inquiry is conducted properly and the committee does its work well, it can be a very meaningful exercise. But in my opinion it is overdue. When I came to parliament in the fall of 1970, we were in the midst of debating Bill C-176 which set up the whole national marketing system that we are presently debating. What we predicted at that time has come about. Hopefully, the proposed inquiry will clear the air as far as producers and consumers are concerned.

So far we have not asked what we want from the inquiry. I suggest that if we are to receive any benefit from it, we must consider the relationship between CEMA and the national products marketing board, its relationship with provincial boards and the control exercised over producers in the provinces. The committee will also have to take the management of CEMA under careful scrutiny and discover why it made mistakes. Who were the people involved, and exactly what did they do? What is happening at the present time, and have any changes been made? These matters must be brought into the open by the inquiry so that producers and consumers will know what is going on.

Then we must ask some fundamental questions, such as whether the marketing boards presently established benefit producers in the long run, and whether they help consumers at all. My hon. friend from St. John's East (Mr. McGrath) referred to the federal government's position in this whole matter, especially that of the Department of Agriculture. That matter must be cleared up. How does information flow from CEMA through the national board to the minister's office, and does the minister have any direct input in the discussions?

I hope the committee will seriously consider travelling to the provinces, because it is essential that the break-

[Mr. Orlikow.]

down in relations between the federal jurisdiction and provincial jurisdictions in this matter be repaired. The provinces have the ability to make this program work, and we should meet with them if we are to do a thorough job of this inquiry.

Producers and consumers alike are sickened by the destruction of 28 million eggs. I do not know how many dollars that represents.

Mr. McKinley: Six million dollars.

Mr. Murta: How many people have thought of the other consequences of this action? At a time when protein was scarce, a great amount was thrown away. The grain that went into producing the eggs was wasted at a time when grain was selling at world record prices. If the inquiry is to be meaningful, all the facts must be laid on the table. We must start restoring confidence in our so-called animal agriculture, Madam Speaker.

Some hon. Members: Hear, hear!

Mr. Murta: That is sadly lacking in the egg industry today, and also in the cattle industry. It is one of the matters about which the minister has been lax. I would point out to people who are pro-marketing board that this party is not on a witch-hunt. Many in this country think marketing boards are worth while. If agencies like CEMA and the national farm marketing board are to survive and be viable, they must withstand in the next few months the scrutiny of members of parliament and all Canadians. We must look at the question fairly, because only in that way can we show whether CEMA and the marketing board system in general are worth saving. I therefore hope that the committee which will examine this question will soon be allowed to do its work.

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The theory of the marketing plan is quite simple. Every province was put on a quota based on its historical share of Canada's market. Each province, through its board, would allocate quotas to its producers. Egg prices would be set by board regulation rather than by supply and demand. Eggs produced under a quota that could not be sold at the fixed price would be paid for by CEMA. In turn, CEMA would finance its operations by a levy on all egg producers in this country. The provincial boards would collect the levies and pass them along to the national agency. In view of this, I think it is most important that the committee which will look into this matter should travel to each of the ten provinces and talk to the provincial agencies.

The national agency did, in fact, achieve its first goal. It kept prices up. But by mid-summer its control program had become, in colloquial terms, a leaky sieve. Producers who used to sell their own low-priced eggs were selling them to CEMA at a high price and letting CEMA sell them at a loss. Other eggs were finding their way into the market outside the legal channels at a good price and the levies were not being collected on them. By mid-summer, efforts by the provincial boards to hire more people to keep records, police producers and enforce regulations to prevent eggs from leaking out of official channels, proved inadequate. What happened? CEMA could not pay its debt