

*Farm Products Marketing Agencies Bill*

There's no room in the merchandising scheme, he says, for "supply management", the philosophy that better prices can be obtained by artificially limiting supply. "Supply management doesn't solve the agricultural problem because it is a flight away from the mass markets of the world. It dooms us to be content with a shrinking share of the market at prices that become increasingly vulnerable with time."

Those are the words of an agricultural economist. It is an improvement to have the averaging provision that will be provided by adoption of the amendment, but I think it should be a moving average that will escalate to take care of increased demand and increased population.

Mr. Speaker, dealing with turkey quotas in the province of Ontario I wish to quote as follows from a letter which indicates some of the problems encountered during the establishment of quotas:

—turkey growers were allowed to set their basic quota on the highest number of turkeys that they grew in any one of three years, namely, 1966, 1967 and 1968.

Growers who grew turkeys in 1966 and have not grown turkeys since then naturally voted for the quota plan, in hope that some day it would have a monetary value. The grower who might have grown 80,000 turkeys in 1966, and 20,000 in 1967, and 20,000 in 1968, voted for the quota system because he would be allowed to set up his quota on the basis of the highest production year, 1966, even though he figured that he would never grow 80,000 turkeys again.

The net result was that they ended up with an unrealistic production of turkeys in relation to market demand. We must look at the allotment of quotas carefully. One of my great fears is that when you establish quotas with respect to a new product you immediately move into the realm of the allotment of quotas, which can fall into either one of two areas, a political allotment or the establishment of a purchase price for quotas. I can give no better example of this than that of the tobacco industry in Ontario, which is an entirely closed shop. A man can send his son to school and if the son has ability he can become a teacher, a doctor or a lawyer. But if he wants to become a tobacco farmer he finds that this is a closed shop unless he has the money to buy into it. This is a major problem with respect to the establishment of quotas and supply management. It cuts down on opportunities for young people.

We must look at the people who represent an industry and who are asking for the introduction of the supply management concept. For example, we must look at the poultry industry. I know that poultry producers have asked to come under this plan. In many cases those who seek the introduction of this concept actually own or control their own quotas. Let me give the example of turkey production. National turkey production in Canada is about 200 million pounds per year. In Ontario there are 50 growers who produce 78 million pounds, and one producer grows approximately 13 million pounds of the 90 million pounds provincial quota. He is one of the directors of the turkey board. That industry is lobbying in Ottawa to come under this plan. There is a list here that I could give which includes Purina and Canada Packers. I do not intend to vote for supply management in any way, shape or form, but I do say that this amendment is an improvement on what is in the bill.

**Mr. John Burton (Regina East):** Mr. Speaker, I wish to say a few words in support of the amendment which was placed before the House by my colleague from Saskatoon-

[Mr. Downey.]

Biggar (Mr. Gleave). It represents an acceptable approach to marketing plans. I think that some of the provisions we are enacting must be developed within the framework of changes and adjustments that are taking place within Canadian society. The fact is that in recent years we have experienced significant shifts in the pattern of Canadian population distribution. Certain parts of Canada, particularly Ontario, the lower St. Lawrence region and the immediate Vancouver area have become rapid-growth regions. We have not experienced the same degree of population growth in the prairie provinces and the maritime provinces.

• (5:50 p.m.)

The point with regard to production quotas, marketing plans and supply management is that if the entire increase, or a greater proportion of an increase in the marketing quota, or an allocation of new production quotas, is given to an area which is experiencing large population growth, this in fact will contribute to an extension of regional disparities both in terms of income distribution in Canada and also in terms of the rate of economic growth in the different regions. I think it is important that we have some protection for those areas of Canada which are not experiencing the same degree of population growth and, in some cases, economic growth as other parts of Canada.

It seems to me that the motion presented by my colleague from Saskatoon-Biggar will provide a significant degree of protection for some parts of Canada which are most suitable for certain types of agricultural production where the factor of comparative cost and management will come into play if it is allowed to do so. I think it is important that we have this provision in the bill, to be in line and consistent with other national objectives which we must work for at the present time. This amendment is also important if we as a nation are to get off on the right foot in starting marketing plans and are to make use of the concept of supply management.

I think that to accept the principle of supply management is perfectly consistent, in the concept of orderly marketing, with the development and use of marketing boards. That does not necessarily mean that any plan put forward within the framework of the concept of supply management is acceptable. In many cases a particular plan is not acceptable even though the principle may be. A good example is the grain income stabilization plan which was debated in this House. I think most members were prepared to accept the principle of stabilization of grain income in the prairie provinces but objected to the particular plan placed before them for approval.

The same thing applies here. We must have a sound approach to a particular type of plan if it is to be workable and acceptable to the farmers of Canada. It must take into account wider objectives than are at present envisaged. It is fine to introduce the concept of supply management which has as its objective bringing production into line with market demand, but if this is done in such a way as to result in widespread dislocation in the agricultural industry then we have a difficult situation. This approach will not be acceptable to farmers and in the long run will be doomed to failure.