

pitching. We never experienced that degree of sincere competition during the days when secondary industry was in the driver's seat.

Another argument that I feel is false is that under supply management we protect the small and inefficient producers. In view of many years of involvement in the food industry—an involvement in areas of hatchery production, processing plants, cash crops and egg farms—I am convinced that bigness alone does not guarantee efficiency. We small operators have successfully competed with giants in the meat packing industry for years. Under a program of supply management, inefficient operators still go out of business or sell out to more efficient operators. The important point to remember is that under supply management programs the efficient operator can survive in competition with other commodity groups.

Area and international competition play an important role in demanding high efficiency without wrecking stability. Anyone who imagines that Bill C-197 will create a giant monopoly for farmers and farm products is simply mistaken. The facts show that farm commodity groups operating under supply management programs are providing high quality, low priced products at reasonably stable prices the year round. If you doubt this, Mr. Speaker, I suggest that you ask a consumer to list the high protein items she prefers, based on quality and price. While doing so it might be advisable to undertake a producer check as well. Learn of the hazards of the sharecropper operating at the mercy of secondary industry in certain areas. This is only one area in Canada where marketing boards are not in evidence. Compare them with the independent, financially sound farmers operating within a supply management program. I refer again to British Columbia because that is where my experience lies.

● (8:10 p.m.)

It has been said that supply management boards assist giant corporations to build vertical integration at the expense of independent farming. Here again, the opposite is true. Vertical integration preceded supply management programs and were stopped in their tracks by marketing boards. There is no evidence that vertical integration can provide lower-cost farm products to consumers. Millions of dollars have been wasted in the United States while attempting to prove that vertical integration without supply management works. In one attempt a number of years ago a giant corporation in California lost \$40 million

Farm Products Marketing Agencies Bill

before they gave up. A very large milling company lost \$21 million in Washington and Oregon before they gracefully withdrew.

Only the companies who were content to draw on their huge financial reserves have continued their vertically integrated operations in the United States. There is presently a great deal of evidence to show that since a few companies now virtually control the entire production of some commodity groups in the U.S.A., they are commencing to practice supply management techniques. Farmers have been reduced to production helpers. It now appears their only hope is to join unions which will give some financial security while further eroding their once enjoyed independence.

There is an expressed feeling by some that self-disciplinary measures as provided by enabling legislation restrict individual rights. Proponents of voluntary participation should explain why voluntary restraints as recommended by the Prices and Incomes Commission are not working. Without the totally unsatisfactory policy of tight money and high interest rates, inflation will not be brought under control. Human nature will not permit it. Voluntary restraints in marketing simply have not worked. They have been tried on many occasions in many sections of Canada.

I quote from an article by Mr. D. C. Fillmore, Q.C., who is considered an authority on marketing as related to the tree fruit industry in British Columbia. He stresses the importance of industry self-discipline in these words:

The British Columbia growers long ago found that merely having most of the growers co-operating to build expensive cold storage plants so that the marketing season could be extended, merely supplied an umbrella under which the selfish minority of growers could find good markets (which would not otherwise exist) and be able to sell all their crops in a few weeks without incurring any of the costs of co-operative marketing. A brief review of the tree fruit industry bears this out clearly. It had become obvious even as early as 1913 that some form of collective action would have to be taken by the growers and these were primarily men who had come from other parts of Canada and from the United Kingdom and were as staunch supporters of free enterprise as any that could be found.

He says in a later paragraph:

Even the most individualistic growers realized that there had to be some means of ensuring that when a substantial majority had decided that a certain method was essential to permit economic survival, their plans could not be upset by a minority who could gain an advantage through staying outside—an advantage that would only exist because of the foresight of the majority.