

Competition Bill

It seems to me that as we move into a more intricate society, we shall have to depend more on the free marketing system to give producers clear signals about changing values and expectations of consumers.

● (1530)

Those who have been around for some time and worked for government, or, I should say, struggled with government, know that government cannot exactly tell the truth. The government says what it finds convenient to say. This very simple fact is not going to go away, because the government has to deal with problems like unemployment, inflation, strikes, and taxes. This means, simply, Mr. Speaker, that our business community must be given flexibility of operation and not disjointed change that will disturb and confuse.

I should like to return to the report of the House of Commons Standing Committee on Agriculture of June, 1960. It reads in part:

1. The feeds industry is an integral and essential part of the livestock industry, and feed mills perform necessary social and economic services, expansion of which—is desirable in the interests of economical and efficient production of livestock and poultry and the products thereof.

2. The feeds industry has grown, and aided the general prosperity of local regions under a system of flexibility and the Committee finds that too much inflexibility in the allocation of quotas to feed mills is not in the best interest of either the producer or consumer of grains for feed. We, therefore, recommend that the former practice be continued.

Following the tabling of the report in the House of Commons, the Canadian Wheat Board took it upon itself to consider the message in this report as a dictum that instructed them how to deal with the marketing of feed grains in the local markets of the western provinces. In other words, it was parliament, the Parliament of Canada, that set up the system of non-quota, non-board marketings in western Canada. That way of doing things lasted from the beginning of 1961 until the end of July, 1973, when the present minister in charge of the Wheat Board brought in his decrees; as a result, confusion has reigned supreme. For example, we have at least seven different prices for feed barley in western Canada.

The argument that the Canadian Wheat Board is a government board stems from the fact that it is the government which appoints the commissioners to the board; the producers virtually have no say in these appointments. I suggest that no grain producers in western Canada would choose civil servants to be commissioners on their board. The government's habit of instructing the board to do this and to do that, to set initial prices and even the final payments, is just a facade, I suggest. It makes it appear that the government is controlling the board, but again I would say that in most routine matters the instructions given to the board by the government really originate with the board in the first place.

The increased interference by Ottawa in board affairs since about 1968 lends a bit more credence to the notion that the Wheat Board is now a government board. A quick review of the origin of the Wheat Board explains the situation a little bit more. Some here, at least, will remember that during the dark days of the depression the three pool organizations in western Canada, along with many other corporations and co-ops in North America and the

rest of the world, found themselves in deep financial trouble. The pools, for they were then called pools, in each province pooled the purchases and sales of farmers' grain, on a voluntary basis, of course. The three pools formed a central selling agency to merchandise all pool grain that farmers delivered to them.

History tells us that in the beginning the pools set initial payments and hedged their purchases on the exchange; however, as the philosophical poolers grabbed power within the organization, they determined to overthrow the Exchange and refused to hedge their purchases. As the depression deepened, the pools found themselves in a most awkward position, having set the initial payments higher than world selling prices, or higher, at least, than the price that their grain could command when sold by the central selling agency. This couldn't last very long, and soon the pools had to appeal to the provincial governments for help in guaranteeing the loans of the pools and in assuring the chartered banks that their advances would be covered.

In return, the federal government said they would appoint all the officials on this Canadian Wheat Board which was to take over from the pool's central selling agency. I think it is important to note that the impetus for the establishment of the Canadian Wheat Board originated right inside the pool organizations, and those producers who preferred to deal with the line elevator companies really played no part in the establishment of the central selling agency or its successor.

Whether the government took over from the producers their marketing board in 1935, 1943 or 1968 does not really matter at this stage. It is still difficult to reconcile the fact that the government does not pay the expenses of operating this board. It leaves this completely to the producers. What happened as a wartime measure in 1943 in essence transferred producers from the tyranny of the market place to the tyranny of the Wheat Board.

The government in Ottawa brought in a partial answer to this when it passed the Grain Futures Act early in 1939. The act was proclaimed and came into force on August 1, 1939. The top position of director was provided for under the act. However, the war came along and the act was left inoperative. It would have been interesting to see how the director who, under this act, was to be appointed to supervise and police the activities of the exchange, would have carried out his job. It would have been very difficult for the supervisor to carry out his duties under the act, as the most consistent violator of the terms of the Grain Futures Act was the Canadian Wheat Board, the government agency itself. A reading of Bill C-7, makes it apparent that the government is still exempt from the provisions of this bill. This, of course, brings up a question that was pondered 2,000 years ago, namely, who will guard the guards? The Latin Phrase is, *quis custodiet ipsos custodes*, which, translated, means, who will keep the keepers. We sometimes wonder if the government and its agencies are beyond justice, beyond the law.

Insisting that everyone should be subject to a mandatory marketing board just for the sake of making sure that one farmer does not obtain more for his product than another is, to my mind, quite unrealistic. Certainly, there is a place for the great farmer-owned companies within