

tion for which we are looking. We do believe that the government has a responsibility to set the environment for successful marketing of farm products in the national interest, but placing too much authority in the hands of bureaucrats and vested interests is fraught with danger to the agricultural industry. It is also fraught with danger to the country, since a bill of this nature could well lead to severe balkanization of the country.

There is no question that the bill in its present form is an improvement over the original bill presented some months ago. The hon. member for Lanark-Renfrew-Carleton (Mr. McBride) made mention of it, but I think he erred in his statement in trying to claim credit for bringing about the change. The fact is, the country should be thankful to the opposition parties for the changes. But the bill in its present form, although an improvement, is still not what the people of the country want. It still has to be amended and polished and improved to such a degree that it will serve the needs of the producer and not simply the needs of the government. I believe the amendments we are discussing will help to achieve this aim.

At this point I would like to touch briefly on the principle of supply management which this bill proposes. In discussing supply management we must constantly keep in mind the other principle which is basic to agriculture, the principle known as free enterprise economy. In a free enterprise economy, while it is recognized that improved marketing mechanisms at the primary producer level are needed, it is also important that one keeps in mind the fact that market prices as determined by normal demand and supply relationships are an indispensable part of our free enterprise economy. Any legislation, therefore, in this area should augment the free market rather than place artificial restrictions and controls on it.

In the past, marketing boards of certain types have proven to be useful tools for orderly marketing. The Winnipeg Chamber of Commerce sent a brief to the Standing Committee on Agriculture in February, 1971, which suggested that the major functions of marketing boards should be the following:

(a) Product promotion and market development for the purpose of expanding sales potential through creation of new demand, both within Canada and abroad;

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(b) Quality standardization and control of produce for purposes of creating new and continued demand;

(c) Collective marketing to give a better balance between the limited number of buyers and the many sellers that normally exist for the raw product. This approach can take three forms:

(i) Single agency marketing with all producers receiving an annual "pooled" price for their products, as differentiated by quality;

(ii) Single agency marketing with each producer receiving market prices for his product as of date of sale;

(iii) Some combination of individual product pricing and over-all price pooling;

The final function suggested by the Chamber of Commerce is supply management as an attempt to control the ultimate product output in order to strengthen prices by limiting supply relative to projected market demand. This process depends on such alternatives as restricting the number of producers, limiting the inputs used by the

producer or limiting the quantity of output that each producer can sell.

It is recognized from the above points that marketing boards could play an important role in expansion of product promotion, quality standardization and some form of collective marketing. But in the context of the free enterprise economy, supply management, which suggests limiting the inputs used by the producer or limiting the quantity of output by the producer, is a regressive move, inconsistent with the realities of international and inter-provincial trade. This kind of supply management in the long run would damage the agricultural industry because it suggests too many controls and a negative approach to increasing produce prices. It would seriously curtail the growth of efficiency within the industry. It would also limit severely the entry of new and possibly more efficient producers into the business of agriculture and at the same time maintain inefficient ones not otherwise able to compete on an economic basis. I think the point concerning possible limitation of entry of new producers is a very important one since it takes away from Canadians the freedom to choose the kind of life's work which they desire.

The various restrictions I am referring to go completely against the grain of the philosophy in which farmers believe. There is no need to tell you, Mr. Speaker, that a very large segment of our population in Canada is here precisely to get away from too many restrictions, too many controls and too much government. Many people who immigrated to Canada came here because this has been a land, at least until now, where individual initiative, individual ambition and hard work are respected virtues which can only be practised fully in an environment of freedom to make one's own decisions, and freedom from bureaucratic control which has the effect of telling the producer what to do and in so doing would destroy his initiative and his right to make his own decisions.

Since supply management on a national basis requires quota allocations by provinces, regional economic differences would not be taken into account, resulting in decreased efficiency. Such locked-in inefficiencies would result in artificially increased prices which could price us out of international markets and which, at the same time, would require import restrictions to protect our domestic market. Ultimately, the consumer would bear the cost resulting from a reduced supply.

With regard to collective marketing by marketing boards, there is also a danger in that the pooling of prices removes incentives from the individual producer and fails to recognize differences in quality of products. However, it is recognized that by pooling, severe fluctuations in prices which are unforeseen can be prevented in respect of individual producers. The question is, then, is the Canadian economy best served by an industry that resolves its differences and adjusts its resources primarily by political rather than economic processes?

This bill is a good example of the government's assuming omnipotent capabilities to solve problems by technocratic manipulations. It fails to perceive the consequences of the balkanization and retrenching of local interests. It fails to perceive the handicap to young people wishing to enter agriculture because of the capitalization required in supply management. It fails to perceive the fact that polit-