

*Parity Prices for Farm Products Act*

to take the matter a little further we must ask this question. What does a reasonable profit really mean? I suppose it means that farmers would recover the costs of doing business, a reasonable return on their labour and a reasonable return on their capital. Again, that sounds all right on first blush. One could say, "Well, why should we not go ahead and do something like that?"

I think we must examine the issue a little more closely. One of the first things one will have to decide in establishing what is a reasonable profit, or in fact what are the costs, is who will determine them. The NDP has a fairly ready solution for this. Presumably some bureaucrats employed by the Government of Canada, some civil servants, perhaps here in Ottawa—there is lots of empty office space and I am sure we can fill it up with some people—can try to determine what costs, plus a reasonable profit, a farmer should receive.

● (1700)

I am an accountant and I know that in normal day-to-day business dealings the profit is the difference between costs and revenue. Therefore, if we are going to make some adjustment to profit, whether or not we can define what a reasonable profit is, we are going to affect either the costs or the revenue. This is presumably what the civil servants would have to decide. How would they go about that?

I suppose, first of all, they would have to take a look at input costs. They would say, for instance, this farmer over here with this size of farm should have that size of tractor because any other tractor is too big. They might decide that the farmer should use only diesel fuel or gasoline. The net result would have us moving in the direction of having bureaucrats, or some board or agency of the Government, making the decisions farmers currently make for themselves. In essence, farmers would be an extension of the arm of the Government as well because, presumably, they will not have to make decisions any more. They will have their costs covered, receive a reasonable profit and simply go about their day-to-day business.

On the other hand, the bureaucrats might wonder what they are going to do about prices because, of course, that affects the farmer's revenue. I suppose we could set up some kind of mechanism for deciding what the price should be and then controlling it. Let us consider what we would have to do to control costs and prices.

I should point out that members of the New Democratic Party have a solution for that problem. They suggest, in order to control costs, taking into public ownership of some existing farm supply retail operations, farm machinery assembly plants, meat-packing plants and canneries. This presumably would allow the Government, by owning the suppliers of farmers, perhaps the gasoline dealers and service repair shops, and so on, the ability to control the costs of the farmers. I am not so sure what the people in those businesses might think about having the Government take them over. However, that presumably would achieve what this Bill seeks to do.

What about prices? How are we going to deliver an effective price or set a price? Presumably some bureaucrats would determine what that would be and that price would be set. But because the buyers of agricultural products today are various processing plants, those people who take those products and make them into foodstuffs, namely the agri-food industry, there would have to be some control in that area as well.

Again members of the New Democratic Party have a solution. Their official Party policy espouses the establishment of industrial plants to be co-operatively or publicly owned for the processing of food and the manufacture of farm supply items in the region of production.

That seems to have it pretty well covered. We have the input costs controlled because the Government has taken over the retail outlets and the facilities which supply farmers. We have the prices controlled because the Government has now taken over the processing plants which buy the product.

But what is the next step? What if the farmer all of a sudden starts making too much profit? I suppose the New Democratic Party has an answer for that. What if there is over-production? I have a letter from the Canadian Cattlemen's Association which makes the following comment, and I quote:

Let us assume for one mad moment that parity pricing were the option of choice. Canadian agriculture earns 50% of its gross farm income in export markets. Who will buy our products at the parity price? Obviously, the answer is no one so long as other nations are prepared to meet the market. Then who will pay to make up the difference? Surely not the farmer. After struggling to achieve parity pricing, he is not about to give half of it back to move half of his product into world markets. And, if the Government pays the bill, how long will we avoid a successful countervail challenge?

The entire idea of parity pricing distills down to nonsense. It is not remotely a viable policy option for Canadian agriculture. It is, in fact, a cruel hoax upon the desperate hopes and aspirations of many financially distressed farmers.

The letter goes on to state:

With or without public support, commodities will not sell above a price determined in the market place. Obviously, therefore, some surplus product would have to be taken off the market and stored—until the market improved. If the market did not improve, these stored products would accumulate to overhang the market much as they do now within the EEC.

In an effort to resolve that problem, the provincial Member of Parliament from the riding of Timiskaming has a solution. He suggests that we formulate a strategy to take some of the land out of production and to control the size of farms.

I would like to respond by quoting again the official Party policy of the New Democratic Party. Their resolutions book is dated November 1986, which makes it six months old and both the resolutions I read earlier were from that book. The New Democratic Party stands behind these resolutions. These are constitutional resolutions and the NDP must put those resolutions into government policy if it every forms the Government. The Leader of the New Democratic Party has said many times that he stands behind these resolutions.

The resolution reads, "The Party espouses the establishment of a public commission to determine a formula for farm unit size on a regional basis". The New Democratic Party has now