Mr. Deputy Speaker: It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS--PUBLIC BILLS

[*English*]

PARITY PRICES FOR FARM PRODUCTS ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Nystrom that Bill C-221, an Act respecting parity prices for farm products, be read the second time and referred to a legislative committee.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I appreciate the opportunity to speak to the Parity Prices for Farm Products Act because right now the farm community is in crisis. It is important that the Members of Parliament in this House and that Governments right across Canada do something about this crisis as quickly as possible. There are a number of areas on which every Member and every Government in Canada would agree. If we could take those agreements and put them before the Parliaments of Canada we should be able to come up with some kind of a solution which would assist the survival of farmers. Those areas of agreement are very simple and straightforward. We should at least give lip service—I hope more than that—to the survival of the family farm. The family farm is the basic production unit. It is a necessary part of the agricultural industry. We should have a great deal of compassion for the farmers' crisis and we should try to do something about it. If we in this House are unable and unwilling, then we will be responsible because it is we who can make changes. For several years the family farm has been in crisis. This crisis was caused by a number of things, one being the rising cost of necessary inputs, such as fuel, fertilizer and so on. Returns from commodities sold by farmers, be they apples, pork, beef or grain, have dropped to the point where the farmer can no longer recover the cost of production. Everyone recognizes that and I am sure everybody realizes that we must do something about it.

As I pointed out, there are two ways we can deal with this situation. There are several others however. First, we must bring down input costs, which is something we have looked at in the agricultural committee. We have not had any action and we have not taken any action. We have spoken to many producers and to the Farm Credit Corporation. Everybody comes up with a good story as to why there are problems and why farm income is not covering production costs. Many groups have come up with ideas about reducing inputs, but all of them come back to the one basic requirement. If you do not increase the farmer's income and if you do not increase the product returns, how can you expect to balance the books? This Government and other Governments in the past have put some procedures in place, namely direct deficiency payments, but they end up as subsidies. Most farmers will accept them if they are going under, but they do not particularly like to do so. There are stabilization programs which we have developed to a fine level across Canada for various products. However, we never really solve the problem.

Bill C-221 is a suggestion which recognizes two deficiencies in the agricultural industry. For example, if you buy a loaf of bread for one dollar, the farmer who provides the grain for that loaf of bread gets only about 6 cents. That situation happens with other commodities, not only with grain.

If this Bill is accepted by the Government of Canada and is recognized as a solution by the other Governments across the country, then it would alleviate to some extent the problems of the family farm. A very simple approach is suggested in the Bill. For those products that we sell in Canada, we should charge enough to cover the cost of production. This will not solve the problem entirely, but to a certain extent it will. In western Canada about 8 per cent of our grain is used in the domestic market. Should this Bill be put into place, the cost of production would be paid to the farmer. It might be a little higher than is the cost now or it might be a little lower, but this will stabilize at least that portion of the agricultural industry which supplies the domestic market.

What if this idea were expanded across the board? Depending upon the world price for a large proportion of our market, we cannot say that you have to pay $5 a bushel for grain, but it might be an approach which would bring to the minds of the urban people of Canada that they have some kind of responsibility and that giving lip service to the idea of the family farm will cost them something somewhere. We can pay a little more for food.

A number of organizations across the country have accepted this as a basic tenet. In fact, supply management production units use the theory in the Bill that the cost of production should have some bearing on the price of the product. We do this in the dairy industry and in the egg industry. We should be able to do it partially in some other areas. This Bill should be looked at very closely and its theory should be used to try to solve the problems in agriculture which will allow for the survival of the family farm.

• (1710)

[*Translation*]

Mr. Michel Champagne (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, first of all I would like to thank you for this opportunity on speaking to Bill C-221, presented by the NDP Member for Yorkton—Melville (Mr. Nystrom). Mr. Speaker, as you know, the purpose of this Bill is to introduce parity pricing for agricultural products on the domestic market. Unfortunately, when the Hon. Member introduced his Bill in the House, there was something missing. Although at first glance, the Bill seems to bring something