

*Parity Prices for Farm Products Act*

income. It would be disastrous to try to isolate ourselves from world market conditions.

Only a very small percentage of our grain production is used domestically. The large bulk of it goes into world markets. We can all take off our hats to the success of the Canadian Wheat Board in penetrating those markets.

Export markets are also a significant factor in the red meat industry, although a more important factor in setting policies for beef and pork is the continental nature of those industries. Cattle particularly move back and forth across the border with the United States in response to market conditions, and any cattleman will tell you that it would be foolish to try to price cattle artificially without reference to the total North American market.

[*Translation*]

Mr. Speaker, the pork industry is a particularly good example of the potential impact of world markets. I am referring to a recent decision by the U.S. Government to levy temporary countervailing duties on our exports of live hogs and carcasses, because our American colleagues judge that the meager support enjoyed by Canadians under the Agricultural Stabilization Act gives them an undue advantage. We are all aware of this problem, which has been a serious concern for some weeks.

Mr. Speaker, the Bill before the House today concerns parity pricing for both cereal grains and livestock. One of my colleagues will elaborate further on the potential impact of parity pricing on the cereal grains sector, and meanwhile I intend to concentrate on the potential repercussions of this Bill on the red meat sector.

I think everyone will agree that marketing practices in the red meat sector could be improved. However, we must not forget that the majority of beef and pork producers have rejected outright any mechanisms for marketing stabilization. It is a very sensitive sector and we are all concerned about it, but the Government cannot afford to intervene in this sector every other day.

I am afraid the wording of the Bill might lead to some confusion. For instance, Clause 10(a) gives the impression that participation by producers in a parity pricing system like the one being proposed would be optional. Mr. Speaker, how can anyone seriously consider introducing a central beef or pork marketing system if producers can opt out or refuse to accept the provisions of this Bill? I do not see how that would work.

There is also a passage describing how the future beef marketing commission and pork marketing commission are supposed to operate. I think the powers and terms of reference of the members are too vague. I also fail to understand why farmers should have to wait five years before they are given the opportunity to express their views on the system through a vote. There should be a more flexible procedure and a more flexible system.

The basic principle of our agricultural policy in Canada has always been supply and demand. That principle, Mr. Speaker, is the keystone of our economy. You cannot ignore it without endangering and disrupting every sector of our economy. Even the national supply management bodies that were set up with respect to dairy products and farm products among others, at the urgent request of producers themselves and taking into account the unique conditions prevailing in those areas, are aware of the fluctuating nature of the food products markets and have therefore been provided with enough flexibility to protect the interests of the producers as well as the consumers. A recent example was the dairy sector where producers voluntarily agreed to reduce quotas. We must have a certain amount of flexibility every year, we cannot have everything planned several years ahead as it might have been possible in the past; that is no longer possible.

The idea of parity pricing, Mr. Speaker, seems to ignore market conditions and productivity variations. It assumes that identical conditions from one product to another, from one region to another, from one country to another, and between the agricultural and other economic sectors. We know, Mr. Speaker, that there is no such immutability. The tremendous development of the pork industry in Quebec and the increase in dairy production in spite of a reduction in the national dairy livestock are two examples showing how buoyant as well as unpredictable the agricultural sector has become.

Such unpredictability and instability are serious problems for the producers. But it would be most unfair for farmers to expect problems of that kind to be eliminated by implementing a rigid bureaucratic mechanism to bring prices in line with production costs. As a matter of fact, which production costs would serve as reference in such cases? Would it be those of the average producer, of the efficient producer? One could agree with production cost adjustment, but determination of such costs is by no means an easy endeavour. I suggest that all hon. members are aware of it.

The best government approach to any sector is to allow it to operate efficiently and productively within a sound policy. That is the kind of context this government is offering Canadian farmers.

The best guarantee that farmers will recover their production costs is to provide them with a dynamic economy that will instill in businessmen the confidence needed for them to achieve what they can do best. Since September 4th, we have been inspiring that kind of dynamism in our farming industry as well as in every other sector of the Canadian economy.

Bill C-215 could easily become a bureaucratic nightmare, limiting the freedom of action the agricultural community needs to develop, creating eventual headaches, and even disrupting our external trade.