

involved in this production area can reach an agreement on either a marketing board or joint programs.

However, Mr. Speaker, I don't think imposing a solution would be wise, considering the complex situation in our agricultural industry and the fact that if we were to implement legislation of the kind proposed by the Hon. Member... nowhere does this Bill consider what is referred to as bottom, side, and top loading. The Bill does not allow for provincial subsidies or for federal subsidies, and in the final instance, Mr. Speaker, the effect would probably be to distort the situation, to the detriment of Canadian agriculture, the consumer and agriculture in general.

Mr. Speaker, that is why I would advise the Hon. Member to revise his Bill, to take a second look at it, to work on it and to discuss the matter with producers and with Members of this House, and maybe after a few years come back with a full-fledged Bill, a Bill that allows for all aspects of the situation in Canadian agriculture, that considers the needs of this industry and respects the integrity of agriculture in general.

• (1720)

[English]

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, it is a pleasure to say a few words this afternoon in the debate on Bill C-221 put forward by my friend from the NDP, the Hon. Member for Yorkton—Melville (Mr. Nystrom). That Member, in the Saskatchewan tradition, has the concern of farmers at heart. Those of us who are great Diefenbaker Tories look at the tradition of the Tommy Douglas-CCF people, of whom the Hon. Member is one, and we see a shared interest in Saskatchewan agriculture. For that reason it is a real pleasure to address a few words to this Bill.

The Bill attempts to get at the root of many of the problems encountered by Saskatchewan producers, that being obtaining an acceptable price for their product. While I have some problems with the notion of parity pricing and what the Hon. Member is trying to do in that respect, the underlying intent of his Bill is one that all Members of this House support, particularly those from Saskatchewan. That intent is to ensure that grain producers secure a good price for their product. In constituencies like mine the overwhelming majority of producers are caught in a cost-price squeeze. That, as the name implies, is a situation where the cost of doing business, the cost of putting in a crop, is rising at a rate which outstrips the price you get for the product. This problem, which has existed for some years, has been exacerbated over the last two crop years by the subsidy dispute between the European Economic Community and the United States.

If one compares farm income and the decline in world prices we see that the greatest burden has been borne by the grain and oil-seeds sector of our agricultural economy. Grains and oil-seeds are the lifeblood of Saskatchewan farmers. While the income of farmers in that sector will be at about the same level this year as last, one should not be deceived by those statistics. They indicate a very high level of government support, both

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federal and provincial. For 1986, the percentage of farm income by way of government support was approximately five times that of five years ago. For example, \$1.9 billion of farm income came from government assistance compared to \$367 million in 1981. While it is clear that Governments are attempting to respond to the cost-price squeeze, our farmers are not faring particularly well. Wheat prices have dropped about 30 per cent. This is due to the downward pressure caused by the subsidy war I referred to. Producers are looking for a government response that will help relieve the squeeze farmers are in.

For this Government at this point in its mandate there are few issues as fundamentally important as agriculture. For many of the 65 municipalities in my constituency agriculture is the lifeblood. If agriculture is not doing well at a particular time, neither are those communities or the many businesses in those communities which are dependent 100 per cent on agriculture. We understand that when farming is prospering, those communities will prosper as well.

In addressing a few words specifically to what my friend is proposing, namely parity pricing, I want to say that I do not think that this solution will work. It in fact may be detrimental to the Saskatchewan farm economy. Parity pricing ignores the importance of market forces and the inevitability of change in productivity. It ignores the often dynamic and unpredictable nature of agriculture. That fact is reflected across the country in every region. Agriculture is simply not one monolithic stack-type industry to be dealt with through a parity pricing type formula. Our Government believes that the farm industry is better served by programs which increase efficiency and competitiveness in the market-place. It is important to see the agricultural market-place for what it is. There are national supply management agencies in place for dairy and poultry products, but they were established at the direct request of the producers. Even so, those systems do take into account the fluctuating nature of markets. They have built-in flexibility to protect both producers and consumers. This Bill does not have that kind of flexibility.

Farmers in every part of my province will tell you that the market forces of supply and demand are what they ultimately farm for. They acknowledge the crucial need for price support and financial assistance in order to reduce input costs when supply and demand in world markets has been skewed by forces beyond our control. Farmers will be the first to tell you that the market-place is of crucial importance to them. However, it is not a magic wand which will solve all the problems in one broad stroke. We cannot accomplish everything with one piece of legislation, and we in this Government do not pretend otherwise. Our Government has been working with provincial Governments and the farm sector to build a network of programs to help strengthen the productivity, efficiency and competitiveness of the industry.

I want to share with the House a few of the initiatives our Government has taken in support of agriculture. The Special Canadian Grains Program was a timely and much-needed