

apply that total amount immediately, thereby reducing the \$4,100 in the example I have given.

What are some of the features of the plan that I envisage? I suggest we could eliminate the need for crop insurance because there would be an insurance factor. We could eliminate the need for cash advances, or perhaps incorporate them into the plan. The plan could be expanded to include all grains, cattle and other products, and I think I have mentioned fish and vegetables. It would depend on the area where the plan was put into effect.

I mentioned a five-year average of \$50,000 in relation to grain, but a different amount could be applied in respect of different commodities after consultation with a particular commodity group.

Under this plan an incentive would be provided to the producer to continue maximum production, because when production increases his average would increase, and rather than a five-year average of \$10,000, as in the cases I cited, the average would become \$11,000 and so on. In this event the farmer would be eligible to draw even more from the fund in years of need. However, if a farmer sat back and depended on this scheme, his average would drop to the point where he would realize nothing from the program.

Another advantage is that each producer would know the precise amount he could draw from the plan. He would not have to wait until the following year to make the calculation, as is now the case under the stabilization program. The individual farmer would not have to depend on the entire industry having a shortfall, as is now the case in the grain industry. The individual producer would not have to receive payments in the following year, as he does now under the stabilization program; he would receive the money immediately there was a shortfall.

If in a year following a shortfall a farmer had \$6 a bushel wheat, under the stabilization program the combination of the \$6 wheat and a payment would put him in a higher income bracket and he would have to turn the extra back in the form of income tax. In the meantime he would have a production year in which he could not meet expenses. In fact, in the case of a young producer this would often mean bankruptcy. As I see it, this plan would cover those contingencies, contingencies which up to date have not been met.

For those producers who make contributions over a ten-year period and do not require to draw from the plan, there should be provision to allow them to withdraw up to the amount of their contribution by way of premiums in the first year. After the plan has been in existence for ten years, each producer who has not drawn from the plan could in the 11th year withdraw the amount of his contribution in the first year. Anyone who had not drawn from the plan because he did not want to be a burden to the plan, or who was so established that he did not require the assistance, could then draw an amount equivalent to that paid normally on government bonds. If such an individual left his money in the fund he would be eligible for that kind of dividend. This would be an incentive for those who are in a position to do so to leave their money in the fund.

### *Cash Assurance Program*

They would receive an amount equivalent to dividends payable on a bond issue, if you like, and this would help fulfil the financing of the plan.

● (1720)

When I first introduced my plan on January 26, 1976, I welcomed suggestions from all co-ordinates. I had hoped that not only those people involved in the industry but accountants as well would come forward and either tear my plan apart and tell me why it is not possible, or add to the plan in such a way that it would meet the requirements, particularly the primary requirement for those who in the first ten years find that their cash requirement is so great. A good example of such a situation exists today with interest rates approaching between 15 per cent and 17 per cent, and I suppose that you could find an even higher interest rate. I am sure that there are those who would pay that amount. If this plan were in existence, that young producer could use this plan without having to go hat in hand to the banks for money to tide him over.

While I have briefly outlined this plan as I see it, I hope that others will make their contribution in such a way that ideas may be added and deletions made, if necessary to the plan. But in the end I hope that the government will see fit to come forward with such a plan, because I feel it is essential for the industry as it is today.

**Mr. Denis Ethier (Glengarry-Prescott-Russell):** Mr. Speaker, I welcome the opportunity to speak on this motion, and I commend the hon. member for Mackenzie (Mr. Korchinski) for introducing it. I say that with all sincerity. The motion reads:

That, in the opinion of the House, the government should consider the advisability of implementing a cash assurance program (CAP) which would provide stability of income in the agriculture and other food industries (fish), make payouts on an individual basis, provide cash in the year of low income, replace or complement certain other programs, minimize the requirements for capital borrowing from institutions, provide equity for contributors, reinforce the family farm and minimize the exodus from the agriculture and other food industries, and avoid erratic pricing of food to the consumers.

This motion is almost a complete replica of the program which the previous minister of agriculture, the hon. member for Essex-Windsor (Mr. Whelan), was in the process of implementing prior to the May 22 election. Although I strongly support in principle this motion, I wish to say that I reserve my comments as to the details of the implementation of such a program.

I would commend the mover of this motion for two reasons. The first is that it is a very worth-while motion. It should attract the attention particularly of the hon. member's caucus and especially the Minister of Agriculture (Mr. Wise). As far as we on this side of the House are concerned, it has always been our preoccupation to ensure that our producers receive a just and fair return for the countless hours of hard work they devote to the production of the best food in the world.

I did say that I wanted to reserve my comments as to the implementation of this program. The motion mentions a cash assurance program which would provide stability of income in the agricultural industry. This could be interpreted in different