

Agricultural Stabilization Act

Mr. Speaker, I will merely make those few comments acknowledging the import of that legislation and hoping that the minister will bring some amendments when it is under consideration in committee so that all producers may profit by stabilization while being assured of a minimum price.

● (1620)

[*English*]

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the amendments in the bill before us to stabilize farm income are not very important. Basically, they do four things: they revise the named commodities in the legislation, they add a few commodities and take out a few, they shorten the stabilization period for the base price from ten years to five years, and they increase the floor for the basic minimums from 80 per cent to 90 per cent of the previous five-year average. Also, there is a clause in the bill allowing producers in certain areas or provinces, one by one, to opt into the program and to supplement the legislation before the House.

The reason I say the amendments before us are not really important is that last year the Minister of Agriculture (Mr. Whelan) had four stabilization programs in which the minimums were above the minimum in this legislation. The bill before us provides floors—and I am sure that we are all happy with those floors—but it does not provide ceilings, and any program the minister might introduce could contain a floor that is above the ones we are considering today. So I suggest to the House that we should deal with this bill expeditiously. It will not create any fundamental or basic changes in the agricultural economy; it will just increase the benefits of the stabilization plan that we have. In other words, it is not a bill that is drastically important because it does not create any fundamental changes.

I want to mention six different areas about which I have questions and of which I hope the minister will take note. I do this because I think the agricultural community will be facing real problems. We have known for some time that beef farmers have been in trouble. The prices they receive for their commodities are much too low to allow them a decent standard of living. We know also that grain prices are falling, production costs are escalating, and as part of the world economy farmers will be facing difficult times.

I say that because I gather that on both sides of the House there is a feeling among members representing urban communities in particular that farmers have done very well in the last few years and that we should not be so concerned about them but, instead, we should turn our attention to other sectors of the economy. I want to remind hon. members that agriculture is the backbone of our economy and that although grain farmers in the last two or three years have not done badly, there are storm clouds on the horizon and we should turn our attention to them in particular.

The bill before us includes a whole series of commodities except western grain. We will be dealing with legislation on grain stabilization in the future. The first point I wish to mention to the minister is that of course I am happy to see him bring up the base price from 80 per cent

of the previous ten-year average to 90 per cent of the previous five-year average. If we stabilize the price of commodities at 90 per cent of the previous five-year average, the farmer will fall behind economically because of general inflation in the economy.

There is every indication that inflation will increase rather than decrease, and if we stabilize the price the farmer will obtain at the previous five-year average, he will fall behind in economic terms. In order to counteract this, the minister has included a cost of production index. What worries me is that the definition of this index is left to the governor in council. What does the minister mean by "cost of production index"? Does he mean the whole cost in terms of fuel, fertilizer, machinery, and so on, that goes into producing a bushel of wheat, growing a heifer, growing a hog, or producing poultry?

I would like to hear the minister elaborate on what he means by "cost of production index," because even if we stabilize farm income at 90 per cent of the previous five-year average and put in a cost of production index, it might not be adequate. In fact, we would be stabilizing farm income downward from the economists' point of view. One could easily stabilize farm income at 100 per cent of the previous five-year average and still find the farmers falling behind. For example, are farmers' wages taken into consideration in the cost of production index? If they are, then the index might accurately reflect the true cost of production. That point should be clarified because this matter is left to the regulations. That is the most important part of the bill with which we are dealing.

The other point which I should like to mention to the minister is that there are still some commodities left out of the bill, and I wonder why. I am thinking particularly of oil seeds produced in western Canada. Why are they left out when western soybeans are in the bill? The third point I wanted to mention—and this is very important to my region—is that deficiency payments to be made under this plan are to be based on national averages for the commodities listed, but often there are regional or provincial fluctuations which have a bearing on what the farmer should be getting in terms of deficiency payments.

Let me give one example. In the region from which I come, namely, east central Saskatchewan, last year grain farmers encountered real difficulties in terms of weather. We had a very late spring, so the crop was put in late; then we had an early frost which froze the grain before it ripened. As a result, the farmer had a lower yield and a lower quality of grain in terms of grade and weight. We were below the average in the Wheat Board area. If deficiency payments were based on national averages, probably farmers in my area would not get any or, if they got them, their payments would be the same as those made in southern Saskatchewan where there was a higher yield of grain of a better grade, for which they got a better price.

Therefore, the minister should consider accepting amendments which would allow for greater regional flexibility. There is, for instance, the Peace River country of Alberta and the area of northern Saskatchewan north of my area where farmers experienced severe problems with weather during the growing season. If there is no flexibility in the legislation, farmers in some regions may be seriously affected.