

ation. There are areas within the prairie region which could suffer a very severe setback. Under a program like that, if an area suffers a major disaster there should be the option of seeking assistance from the fund. That view was put forward by the Canadian Federation of Agriculture, a respectable and reliable farm organization, in its presentation to the Prime Minister (Mr. Trudeau) and the cabinet on April 7, 1975. It indicated that the proposed grain stabilization program should be changed to benefit regional geographic areas rather than the whole aggregate Canadian Wheat Board area. With the backing of members of the Canadian Federation of Agriculture and, I am sure, other farm organizations, there is good reason for reconsidering this aspect of the bill.

With regard to achieving stability, the individual producer is very important. In order to be effective in bringing about over-all stability in the grain industry we must concern ourselves with the stability of the individual producer. I might compare this legislation to the beef stabilization program to the extent that those who suffer most in terms of loss do not really get any more than those who are able to sell at a reasonable price. In times when markets are seriously depressed and farmers are forced to sell off their animals, it is somewhat unfair that a person who has received, say, 10 cents a pound for his culled cow should get the same amount under the stabilization program as the person who sold his cow for 25 or 30 cents a pound. In addition, there may be a tendency here to protect farmers who have enjoyed good fortune over the past three years, and penalize those who have been unfortunate over that period. For example, a farmer who has experienced three years of crop failure would get only a very small share of the pay-off. It seems to me the plan could be adjusted so as to take this aspect into consideration.

● (1520)

Turning to the provisions for calculating expenses, it is important to note, as has been pointed out already by some speakers, that certain important items are not included, namely, depreciation of capital, interest on debt and interest on equity, as well as costs of labour and management. Surely these items should have their place in any consideration of expenditure. This is an area which warrants further attention.

The Canadian Federation of Agriculture has put forward a number of suggestions which I should like to place on the record because I believe them worthy of consideration. New farmers starting out should have the same privilege of opting out of the program, if they wish to do so, as other farmers will be given over the three-year period. Also, since the question of interest income and interest costs is left to the discretion of the Minister of Finance, as the bill is presently drafted, the federation recommends that interest rates be tied by formula to the rates of government bonds. Further, having suggested that the \$25,000 eligibility level may be too low, they point out that it stabilizes the level of net revenue at a figure probably between \$15,000 and \$22,000.

There may or may not be provision for taking this into consideration, but if there is not there should be. I notice that in the last stabilization bill, provision was made whereby any losses in the Canadian Wheat Board pool

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account were to be covered out of the stabilization funds established at that time. I have looked through this bill and cannot find any reference to that matter. I raise it now with the idea in mind that the minister may wish to clarify the position when he rises to speak.

A good case might be made for bringing the bill and its administration under the aegis of the Department of Agriculture. I say this bearing in mind that the legislation before us may well prove to be an administrative nightmare. After all, it involves the Department of Industry, Trade and Commerce, the Department of Agriculture, the Wheat Board and the Grains Commission. Moreover, any program aimed at stabilizing returns to farmers is traditionally administered by the Department of Agriculture.

Not unnaturally, the federal government will boast about this legislation and call it a great step forward, designed to improve the lot of the western farmer. We must remember, though, that the bill replaces a number of previous measures which have been discontinued. We know that under the provisions of the Temporary Wheat Reserves Act and under the previous act, PFAA, western farmers received payments amounting, under the former, to \$56 million over the last three years in which it was in effect, and in the case of the latter, PFAA, to an amount in the order of \$6 million.

Mr. Lang: There is crop insurance in effect now.

Mr. Mazankowski: Yes, there is crop insurance, but I have no figures as to how much the federal government is contributing in that regard. Nevertheless, we are talking in terms of a figure of some \$60 million: that is what those two programs represented. When the minister tells us that, had this new program been in effect for the year 1974, it would have meant a pay-out of some \$90 million on the part of the federal treasury, I would remind hon. members that we are not looking at that amount of money as new expenditure. The bill is a step in the right direction but it certainly does not justify the minister boasting about it at any great length in terms of additional funds from the treasury.

The minister spent a great deal of time telling us about the bold initiatives his government had taken to assist the grains industry, drawing particular attention to the provisions of the bill we are now considering. In my view, the producers of Canada would be far happier if we were being asked to consider a bill in this House designed to overcome one of the most serious problems we face, that is to say, inability to move their grain effectively. I am talking about labour disruption, labour chaos. The situation facing us today as far as labour is concerned can only be described as a state of anarchy. Producers are frustrated by the continual disruption of the movement of grain as a result of labour unrest and breakdowns in the transportation system.

I know the minister will say that returns to farmers are still better than they have been for the last five years. That is true, but it is little comfort; it does not make up for the waste which has occurred as a result of the government's failure to deal with this question. It is not only the dollars which have been lost as a result of liability for demurrage payments; it is the embarrassment which has been caused to our nation. We are now being classified as