

*Prairie Grain Stabilization Act*

year as though the stabilization fund were in effect for the purposes of payout. In the long and fruitful discussions we had with farm organizations, and their leaders, however, we came to the conclusion that it would be better not to try to tie the payout to the stabilization fund formula this year. For one thing, the figures would not be available in time or in full, and for another it seemed possible this year to allow the payout to go not only to those farmers who had been marketing their full share but to those who had experienced special difficulties and, therefore, had not participated in the market as fully. It would be wrong to tie that kind of feature into a future scheme because of the way it might interfere with marketing judgments and decisions, but for this year it was possible. Here again, we believe it was right, in looking at eligible permit holders, to limit the number of acres upon which payment could be obtained to 640 acres per permit holder. This reflects not a scientific judgment about the size of a grain operation but a ball park figure which comprehends the wide range of sizes in the prairie region and is a figure related to the grain industry rather than those operations which are essentially involved in other agricultural products.

We propose that the payout be based on eligible acres, those acres in the six principal grains and in summer fallow. It would also include, however, those acres in new forage crops added last year because of the special encouragements in existence then. It would be unfair to declare those acres ineligible now. Essentially, the acres eligible are those acres which are related to the grain production involved in the stabilization fund of the future. On this basis, as soon as the legislation has received Royal Assent, we hope to issue cheques to all permit holders who had their permit books prior to March 1. We estimate at this time that the per acre payment may be \$1.40 per acre eligible. This will result in an important infusion of cash into the prairie scene. I say this because, although grain deliveries have been moving at a much better rate this year than last, and even after allowing for the repayment of cash advances and the fact that the cash flow situation at this point of time is better than it has been on the prairies and will be much better in the remaining three months, there is still a serious backlog of cash deficiencies on the Prairies as a result of difficulties of past years.

● (12:30 p.m.)

The important thing that we see in the bill, however, is what it plans for the future. Under these plans a farmer will know that whatever may come to him in any year as a result of marketing conditions in that year, his income will not fall drastically; that, so long as he is participating in an average way with other farmers in that marketing, he will in those difficult years receive a payment from the fund which will bring his income up, along with that of others, to that level represented by the total five-year average of gross receipts from grain. Although we call this a stabilization plan, it is important to know that, really, it will stabilize matters in bad years by wiping out the low point. It will not destroy the high

[Mr. Lang.]

points which can still come about. Very good years of marketing will still bring extremely good returns for the grain producer. It is the low points which are to be removed.

It was felt possible, in connection with this legislation, to repeal the Prairie Farm Assistance Act over a three year period. We shall propose phasing out the 1 per cent contribution under PFAA, beginning with the 1971-72 crop year. Benefits under PFAA will still be available in that crop year and in the following year, as well as in those years in which crop insurance is not available.

It is our hope and for sometime has been our hope, that the very useful federally supported crop insurance plans will be more and more extended through provincial action to all parts of the prairie region. We see this legislation as another important part in our total plan to put agriculture on the Prairies into a better position. I urge hon. members to help in the passing of this legislation and to see that it becomes law, so that on the earliest possible date the cash payments involved may be made. Mr. Speaker, I am most pleased to move the second reading of this bill and its referral to the Standing Committee on Agriculture.

**Mr. S. J. Korchinski (Mackenzie):** Mr. Speaker, I listened carefully to the minister's remarks about this bill. Contrary to what I said the other day, I think notice may now be sent to Mr. Thatcher that he can call an election. I understand that \$100 million is up for grabs.

One ought not to be disillusioned too readily. Nevertheless, the amount of money to be paid out is not nearly as great as the government tries to pretend. This legislation is really a mirage in the making, or the result of excessive imagination. It is the result of the government's hallucinations. This government is capable of imagining things that are not correct. It suggests that it really wants to save an industry. I wonder. I remember what former Prime Minister Pearson once said. He said, "You know, when you have a half rotten egg, it is hard to know what part to discard? Which part of it do you discard?" That is precisely what this legislation is like. It is typical of the sort of legislation this government has brought before this House. This legislation is half rotten or half-baked and is typical of the legislation this government has presented to this House.

**Mr. Pepin:** And that is a half-baked argument.

**Mr. Korchinski:** The point is that the appropriate message ought to be sent to Mr. Thatcher. Although I referred to the possibility of a grant concerning a pulp-mill, I think the government was actually trying to get out of a difficulty as a result of the controversy over Bill C-176 and other measures which have been brought forward.

**Mr. Pepin:** Good Lord, what an argument.

**Mr. Korchinski:** So, we find ourselves in this situation: the government is trying to buy votes on the Prairies, one by one.

**Some hon. Members:** Shame.

**Mr. Pepin:** Good Lord, what a thing to say.