

*Prairie Grain Stabilization Act*

the elimination of PFAA which has involved a government contribution in some years.

When new problems arise in future years, the government will have an easy answer ready: "We're helping through the stabilization fund." In addition, a decrease in farm numbers as planned by the government for future years will further reduce the degree of government involvement. The problems of prairie agriculture cannot be solved by the government withdrawing major commitments to the industry. If it does, it is out of touch with the world of reality. What justification is there for such a severe limitation on the government's contribution to the prairie grain economy, some \$30 million a year, when the government is, on the other hand, contributing millions of dollars a year to help private industry through its regional development program and many other similar programs designed to assist private industry? In addition, multimillion dollar tax concessions to resource industries, which are going to be continued, far overshadow the government's stingy contribution to the prairie grain economy.

• (2:30 p.m.)

There are also other aspects of the bill to which we object. One question I should like to ask is, why the 90 per cent level of stabilization? What rationale or justification is there for this? I think it demonstrates a skinflint attitude on the part of the government. The result will be that when the stabilization plan comes into operation and farmers receive payments, the highest possible level of payment they will be able to receive will be in the order of 98 to 99 per cent of the previous five years' average. At no time will the total gross cash receipts for the year in question, together with the stabilization fund payment, reach the 100 per cent level in terms of the previous five years' average.

I notice that the government is even cutting out whatever margin may exist under one per cent. If there is less than a one per cent difference between the gross cash receipts for the year and the five year average, the payment will be cut out. I suppose there is administrative justification for this, but why could it not have been added on to a future year in order to give the farmers greater benefits than they would otherwise receive from the fund? I should also like to know why the 2 per cent levy. What rationale is there for a 2 per cent levy? Why is the government taking this approach? Can the farmers stand a 2 per cent levy against their gross cash receipts? I suggest that with the information available to hon. members, as well as to the government, it can easily be demonstrated that farmers are operating either at a loss or simply marginally; that that 2 per cent levy will in many cases push farmers into a deficit position for their year's operations. I notice that the task force on agriculture said there should be a 1 per cent levy when presenting its recommendation for this particular form of stabilization plan.

Another objection I have to the bill is that the government is charging off Wheat Board deficits against the stabilization fund. This is an arbitrary action and indicates that the government does not want to spend any

[Mr. Burton.]

more than it has to on assisting the grain industry of western Canada. Past experience has shown that seldom has there been a deficit on Wheat Board accounts. It is true that there was a substantial deficit for the 1968-69 crop year, but this was certainly an exceptional case and was far from the normal course of events.

I think we should ask the question: When is there likely to be a deficit on Wheat Board accounts? There are two basic situations when there may be. One is if somebody makes a mistake, say either the Wheat Board, the government or whoever it is. The second is when there are disastrous market conditions resulting in a sharp drop in price such as that experienced during the past several years and which was largely responsible for the deficit in the 1968-69 crop year. Considering these two basic reasons, when a deficit does occur should the government not be the agency that picks up that deficit? That is the least it can do. I suggest this added feature of the plan is an unnecessary burden on the farmer and makes the plan even more unworkable.

This legislation also provides some opportunity for manipulation. Even though the minister would deny this—and I accept his word as such—I suggest there will be a very grave suspicion in western Canada that this is the case.

In considering the bill we also need to take careful note of the statement issued by the Canadian Federation of Agriculture on May 7. Surely, this statement was a sharp rebuke to the minister. If the minister ignores the representations made in this statement, he will demonstrate a total lack of sensitivity and responsiveness to the situation and problems that we are discussing. A careful look is required at what the Canadian Federation of Agriculture had to say on behalf of Canadian farmers. I should like to quote briefly from their statement, and I shall try not to duplicate those sections quoted a short while ago by the hon. member for Qu'Appelle-Moose Mountain (Mr. Southam). Among other things, they had this to say:

Bill C-244, the Prairie Grain Stabilization Act, must be judged and dealt with against the reality of the depressed income position of prairie grain growers and the need for adequate measures of income protection, as well as grain receipts stabilization, not only today but in the longer term.

The bill itself must be dealt with in two parts:

1. The vitally necessary payments to be made to prairie producers as so-called "Special Transitional Payments" in the amount of \$100 million. These are urgently required.

2. The long term stabilization and storage policies contained in the bill. These require much improvement.

The federation can in no circumstances view these two parts as conditional upon one another in dealing with this Bill. They should not be and need not be, conditional. We cannot accept the assumption, as a ground rule set by the government, that to get the immediate payment the long term policy must be accepted.

They go on to say this:

It is clearly and unmistakably the federal government's responsibility to ensure that the special payment is made and made soon, while also ensuring that adequate opportunity is given for the consideration, modification and improvement of the long term proposals contained in the bill.