

drought or insects which compound the difficulties of agricultural production. This bill does not provide any insurance against those conditions.

It can be argued that this is an income stability bill and, therefore, it must protect the producer when he has a poor crop or when his rapeseed is set upon by beetles. The criticism of the original bill in not being regional also applies to this bill. The region constitutes the whole Wheat Board area which stretches from the Manitoba border into British Columbia. Any part of that vast area can have a crop failure, whether it be the desert in which I live, south and east of Hanna, the Peace River area, southern Saskatchewan or northern Saskatchewan. The interlake region of the province of Manitoba has often suffered drought and flood conditions. The regions to which I have referred will not be covered by this bill because stabilization payments are based on a percentage of the total sales. Therefore, those farmers would be better off buying crop insurance than putting their trust in this bill.

Another interesting question is, who can qualify? In the previous bill it was mandatory: in this bill it will be voluntary up to January 1, 1978. If you have not registered by that time, you cannot do so without the permission of the minister. The Minister of Justice who is in charge of Canadian Wheat Board (Mr. Lang) has often been accused in this House of setting up political machinery in western Canada comparable to nothing in the past. Clause 16 of this bill and its relation to clause 5 contributes to the political machinery the minister is attempting to set up on the prairies.

An hon. Member: Shame on the minister.

Mr. Horner: I am glad to hear that comment from a member on the government side. It gives me some hope that they will see the light. It is normally thought that we should have income stability to shore up the small producer. The basic concept of legislation presented to this parliament over the years has always been that the large producer can look after himself and we should do what we can to bolster the hopes and aspirations of the young farmer or small producer to keep him in business. Why has this been done? In the dairy industry we are continually losing farmers. In the hog industry we are continually losing hog producers.

When this legislation is examined in committee it will be clearly seen that it is more beneficial to the large producer than the small one. I do not think the federal government should contribute 4 per cent of the gross sales revenue to a fund to help the big producer. It would be more reasonable to expect the government to contribute to a fund which will shore up those who need shoring up. Every producer aspires to have a bigger operation.

How does this fund shore up the big producer more than the small one? The minister put it this way: he said, "You have to reward success; you cannot reward failure." That was his excuse when he was asked in the committee whether it was not true that this bill would help big producers more than small producers. To my mind, that is not good enough. The legislation before us will be of benefit to the big farmer, to the older farmer who is well established and who can keep up his sales in the five years preceding a calamity year. When a calamity year comes

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along, he gets by far the larger payment. And we are not talking, now, about \$100 or \$200 a month such as old age pensioners get; we are talking about payments running into thousands and thousands of dollars. As a person involved in agriculture, I want to encourage younger men to enter the business and take the risks that go with it. Farmers are confronted with hail, drought, floods, and so on, and I should like to see legislation enacted which would result in the degree of security which I believe the small farmer, the young farmer, needs today.

● (1430)

The previous speaker quite properly pointed out that the cost of capital was not provided for in this bill. Some time ago we passed legislation which will allow young farmers to borrow up to \$150,000 under certain conditions. Having borrowed such a sum, a farmer must of necessity sell his crops every year before he can make repayment. If he hits two or three bad years in a row, he is bound to find himself in serious financial difficulties since he has not been able to build up a reserve. The well established farmer who has paid for his land and who has no need to buy new machinery is able to stockpile against eventualities.

From time to time, farmers do not sell all their grain in a crop year or in a calendar year. They may feel they will be obliged to pay too much income tax if they do otherwise, so they build up an inventory. In a bad year, their sales remain constant and they will be able to establish a far better average in the five years leading up to a calamity year. Young farmers will not be able to do this. The bill before us fails to give him the assurance which he is seeking and which parliament should be able to give him when we entice him to borrow \$150,000 or more to get into the business of producing food.

Canada is a country likely to be beset by severe economic troubles later this year and in the years to come. However, we do possess certain abilities and one of them is the ability to produce agricultural commodities. In the past, sales of grain have favourably affected our balance of payments situation and no doubt this will continue to be the case in the years ahead. Looking at things from that aspect alone, I say the government has an obligation to ensure that sufficient numbers of young farmers get into the business. We are often told that the average age of farmers today is about 58, so there is obviously a need to encourage more young men to take on the debt load and to carry that load for the good of Canada. In the bill we are considering, I see nothing which would encourage hope in a young farmer and lead him to believe that if he does come up against a calamity year he will be shored up in any way by these proposals.

This having been said, I suppose one is led to wonder how the bill could be improved. Well, Mr. Speaker, before it can be improved it has to be understood in all its ramifications, and I do not think 5 per cent of the farmers in western Canada understand the mathematics or the mechanics of the measure.

Mr. Gillies: Five per cent of the members of the House of Commons don't understand it.