

farm and food costs. The cost of fertilizers, chemicals, feed, machinery and so on is reflected in the price of food.

We should note a couple of other things as well, Mr. Speaker, and one is the increasing investment that farmers have to make. We are far away from the point when most of the input was made by the family. We now have highly efficient farms and improved technology, but along with this has come a tremendous investment. It might be of interest to note that most farmers have about \$1,000 invested in every steer they feed. This means that they must get 20 cents per pound just to cover interest charges. Many farmers may have \$4,000 invested in a cow and would be faced with nearly \$300 in interest charges. That is one reason why we are so pleased to see the introduction of the act to amend the Farm Credit Act, so that farmers may be given some assistance in this area.

Members opposite have had a great deal to say about the bill increasing the level from 80 per cent to 90 per cent and decreasing the time from ten years to five years, but there is another aspect of this bill which has been ignored and I think we should talk about it. The proper indexing of costs and the recognition that the farmer needs a return that reflects his cash flow in a crop year, and in addition have some return on his equity and for management and for investment, makes this bill much more effective than many members give credit for, Mr. Speaker.

It is true that the legislation at present on the books has not been too effective. Over the ten years of its history it has only come to the rescue of that part of the industry that has been in trouble a few times. This bill before us will be effective, not because the time has been reduced from ten years to five years, or the level increased from 80 per cent to 90 per cent, but because of the indexing aspect which recognizes the many things which the farmer must face. One of these is cash flow, and this is in serious jeopardy because of inflation. It will be taken into account in the indexing formula in calculating what is a fair return on management—in other words, his return to equity.

I want to deal with another aspect of this bill. In several debates in this House there has been mention made of the starving people of the world and the aid that Canada has given through its food program. Some members have commended the government's commitment of wheat, and others say we should have done more—perhaps there are even some who would say we should have done less. But, Mr. Speaker, I think we should realize what we are doing to the agricultural industry by making commitments of this size. If we continue to do this, and I think we should because it is a human and just thing, we will gear our agricultural industry to expansion and count on the world's food program to absorb much of the production.

I think we should reflect on what would happen if all of a sudden countries all around the world have good crop years and consequently we did not have an export market or a need for the world food program. One of the solid bases for this bill is to underwrite that very possibility so that we can be a stronger factor in helping the have-not countries of the world.

I said in the beginning that this is a bill that is of benefit not only to the farmer but also to the consumer. A lot of members opposite have made the point that this is a floor

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price. I think that type of analysis would lead consumers to think that the government is again going to subsidize farmers heavily. That is not the purpose of this bill. I think we should say that this bill rewards the efficiency of the farmer. The farmer who does an efficient job of production and marketing will still be miles ahead of the farmer who does not. I think we should be very careful that we do not give consumers the impression that this is a subsidy bill for farmers. It is a stabilization bill which acts in the best interests of the consumer and the farmer, and rewards the efficiency of the individual farmer.

I take issue with comments made earlier this evening by certain members, and particularly by the hon. member for Crowfoot (Mr. Horner) on the day the bill was introduced for second reading. One could take from those remarks that the government, and particularly the minister should be doing something more substantial to help agriculture but without regard to a supply management arrangement. I am not too sure where such a line of thought would lead us. Surely members opposite would not say that we should have an all out production program financed by farmers. They are quick to say that we should reduce or control government spending but, Mr. Speaker, how can you marry those points of view?

Hon. members opposite would propose that we should subsidize the industry but have no say in how much is produced or under what conditions. I shall be vigorous in committee in opposing that point of view. It would be unfair to expect producing farmers to suffer; they deserve a far better support level than that.

● (2130)

I shall conclude by commending this legislation. Let us co-operate in committee stage and pass it quickly, so that farmers may enjoy a measure of security which is essential if there is to be long-range agricultural planning. The average farmer and consumer have been plagued in the past by the agricultural boom and bust cycle, in which overproduction leads to low prices and underproduction to high prices. This legislation will be significant in levelling out the price fluctuations in the agricultural industry. Prices will respond to input costs; this in turn will surely mean that consumers will have available constant supplies of reasonably priced food. For that reason I ask the House to deal with this bill quickly in committee and on third reading, so that the farmers of Canada can soon take advantage of this forward-looking legislation.

Mr. Peter Elzinga (Pembina): Madam Speaker, I am pleased to participate in the debate of Bill C-50, to amend the Agricultural Stabilization Act. The Minister of Agriculture (Mr. Whelan) said that Bill C-50 is part of a total package of legislation which is designed to bring greater stability to the agricultural industry. Its total effect will be to provide producers with greater income stability while they produce high quality food for markets at home and abroad.

The minister stated that the bill will provide producers with greater income stability. But he has not stated that it will provide producers with greater income. What good is stability, or what good is stabilizing an income, when your income is in a loss position?