

Income Stabilization

the operations of the national egg, turkey and chicken marketing boards established under that act in 1972, 1975 and 1978, respectively. Those boards are responsible for co-ordinating supplies and stabilizing the prices of those three commodities through provincial agencies. Those programs provide for Canadian egg, turkey and chicken producers incomes which take into account their production, labour and investment costs. Since poultry feed represents in excess of 65 per cent of the production costs of those three commodities, the fluctuations in the egg, chicken and turkey production costs and consumer prices are closely linked with movements in the levels of feed prices.

The costs such as interest rates are also taken into consideration in the pricing formula for those products. Although there is no guarantee that prices will cover production costs, the prices of those commodities never did drop below the cash production costs since those boards were established. I would not want to launch an argument on the justification for or the appropriateness of those boards in a so-called free market economic system. The purpose of my remarks today relate to a motion urging the government to consider the advisability of stepping in to implement an agricultural cash assurance program. I believe indeed that the national marketing boards as established do offer within their limits the type of guaranteed income suggested in the motion introduced by our colleague from Mackenzie and, in that respect, they are quite timely.

There are also several other federal government programs which, each within its respective application to meet as best it can a given situation or specific and definite needs, are designed to contribute to the fulfilment of the over-all objective, namely to protect Canada's agricultural and food sector and to enhance its growth and effectiveness. Mr. Speaker, I am referring among others to crop insurance, farm credit, advanced payments for crops, all programs that have been put forward by this government to better help farmers get a fair margin of profit between their production costs and the market price of their products, financial assistance programs for produce cold storage facilities, feed grain freight assistance and the agreements with Quebec, Ontario and British Columbia under the feed grain freight assistance adjustment program. The government also acts in many other ways to protect farm income. These programs may not appear at first glance to have a direct impact on farm income, but they help producers become increasingly efficient, reduce their production costs and derive better revenues from their farms. These measures and programs benefit not only farmers, but clearly consumers and the over-all Canadian economy, and in that context it is our belief that agriculture is doing well. Indeed, I understand the Economic Council of Canada report says so in a number of places. Reference has been made earlier to the fact that farm abandonment declined after 1970. It is therefore my belief that the over-all Canadian farming industry is doing well, to the benefit of our Canadian economy.

● (1640)

[English]

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I am pleased to take part in this debate today since it deals with one of the two parts of what is required for survival in agriculture. The first thing any farmer must do to survive in agricultural production is to be able to produce. The second thing he must be guaranteed is the ability to sell his product at a price which will allow him to produce again next year. It is a very simple but complex formula. First of all, one must have production and some form of guaranteed production, to be viable for years, year in and year out. One must also have some form of income protection if one is to be able to continue producing from year to year.

Being a third generation Saskatchewan farmer, I feel that I may know about variability in both production and income, both from personal experience and from listening to my grandfather and my father recount some of their experiences. As well, I have spent a considerable amount of time reviewing the economic history of the region.

I suppose, to oversimplify, what the country really requires is farms which are able to survive. That is the bottom line. Survival at the farm level is the absolute bottom line. Over the years, and after much pressure on the part of farmers and much agitation, we have put pressure on political institutions, and with much assistance from politicians we have finally come part way in overcoming some of the problems by bringing in crop insurance for most of the crops which we now produce, which provides minimal guarantees of production.

The other part of the equation, the price part, is only dealt with on a skip and miss basis. As the parliamentary secretary to the minister has just outlined, quite often the response is only when disaster strikes. The hon. member for Mackenzie (Mr. Korchinski), who moved and is sponsoring the original motion, just pointed out that the funds coming from those kinds of programs often arrive far too late to be of any use to the farmer in his particular circumstance.

Therefore, I think we have to consider programs which are something like what the hon. member has put before the House today. We should go slightly further than to simply talk about a cash assurance program. We should talk directly about an income assurance program, because that is the other part of the equation which must be faced and dealt with directly. It should not be considered as something that should be passed over, as the hon. member from the government side said, simply because it does not deal directly with the particular problem. Based on the research I have done, I think that programs can be designed to deal directly with individual farm problems, just as we do under the crop insurance program. We deal directly with the crop loss on an individual farm basis. We could deal with price on an individual farm basis as well.

What I visualize is a program where producers of all of the major commodities would contribute to a central pool. I think, simply from past experience, that kind of pool could be kept actuarially sound. We know that while the market price in one