

Western Grain Stabilization

The significance of this to the individual farmer may be examined in more detail when the bill is in committee. As an example, however, I should like to take the case of someone who farms a medium sized operation in the black soil zone of the prairies, and who has attributed to him an average of the production for such a size in that area. If the plan set out in the bill had been in effect in the years 1965 to 1975 this farmer would have shared in the payouts made in the years 1968 to 1971. In 1968, when his gross receipts would have amounted to \$20,771, the stabilization payment to him out of the prairie total of \$97 million would have amounted to \$1,939.

In 1969 that same farmer, with gross receipts of \$13,254, would have received, out of the prairie stabilization payments of \$237 million, a payment of \$4,406. Hon. members can see the significance of that kind of payment to someone on a medium sized farm in the black soil zone.

In 1970 his payment would have been \$4,137, in a year when his gross receipts had totalled \$14,033. In 1971, when his gross receipts would have risen to \$18,288, he would have received a stabilization payment of \$880. When one considers that this farmer had to try to meet his obligations—or more likely arrange his obligations—with the cash which he had available from his gross receipts, one can see the importance to him of payments like this, particularly in the difficult years 1969 and 1970.

This stabilization plan is based on receipts throughout the prairie region. There will be some who will think it should somehow deal with crop insurance problems as well as the stabilization ones I have described. That is not the case. A good crop insurance plan such as that which my colleague, the Minister of Agriculture (Mr. Whelan), is trying to encourage his provincial counterparts to develop, with his financial support being an important part, is still extremely important for individual farmers. We are delighted to see the widespread availability of crop insurance plans throughout the prairie regions now. We believe those plans can still be made to meet the particular needs of individual farmers and reflect more fully the value of grain on their own cash costs of operating.

Crop insurance will still be a desirable feature for individuals to deal with in circumstances where it can affect the individual crop. The stabilization plan deals rather with the over-all problems which can affect the grain industry as well, particularly those international market conditions which have such tremendous effects on volumes and prices.

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The only relationship between crop insurance and this stabilization plan lies in the fact that crop insurance benefits may be brought into the plan by the person who receives them as though they are grain receipts, so that the level of his benefits may be maintained through a difficult crop period. The better the crop insurance plan is, the better will that objective be met.

This plan, like its predecessor, is based on a five-year average preceding the year in question. The net cash receipts in this plan, therefore, unlike the simple gross receipts of the previous plan, will be the base upon which the payment out is to be calculated. When payment out is made, it will be made to all participating producers on the

[Mr. Lang.]

prairie provinces basically in proportion to their recent participation in the grain market. For this purpose this bill uses the current and two preceding years to determine the level of participation of that producer, according to the value of his receipts from grain.

There will be some who will argue that this plan would be more sensitive to the needs of farmers in the prairie provinces if it were calculated and triggered on a regional basis, or an area by area basis, rather than on the figures of the prairie region as a whole. We have given a great deal of thought to the question of whether it would be possible to regionalize the plan in that way at this time. We have accepted the proposition that, in theory, it would be desirable to introduce a certain degree of regionalization, but we found it difficult, indeed I might say a practical impossibility, to obtain cost of production figures in particular on a regional basis at this time. We therefore propose to ask the House to approve the bill on the basis of a prairie-wide calculation, and will attempt to introduce regionalized data as soon as adequate figures based on those regions can be obtained.

We have, in this bill, introduced a further feature, the right of individual producers to opt out. In our many discussions with organizations and the western provinces this, among other features of the stabilization program, has been discussed, and there are still some differences of view as to the desirability of this particular right to opt out. There is some fear on the part of some organizations that those who should least do so may be the ones who will opt out and lose the protection which this stabilization plan will give them.

The protection of the stabilization plan is evident in this calculation: if the plan had been in effect for the 20 years 1954 to 1974, for every dollar of farm payments into the plan, farmers on the prairies would have received from it \$3.53. The basic value of the plan as income assistance therefore must be clear. We thought, therefore, that we could count on the assistance of leaders of farm opinion and the provincial governments, as well as on our own discussions about the value of the plan, to persuade those who are eligible to remain in it and, at the same time, give them the right to opt out. The bill as it now stands gives that right to those who are farming at the time the law comes into existence.

There has been some further comment about the extension of this right to new farmers who may be coming into operation hereafter. I am prepared to consider with hon. members in committee whether this opting out feature ought to be extended to them as well.

The bill, Madam Speaker, is a major further form of protection to the grain farmer. It is income assistance in the sense that it involves a contribution from the treasury. It is stabilization in the sense that it will make payments out in those areas where those payments are most likely to be required. It is not stabilizing in the sense of limiting the amount of income which the market may bring to grain producers. It remains a fact that the market, both international and domestic, will provide the chief form of income for our farmers engaged in the production of grain.

We have in this program, and in the others to which I referred earlier, added forms of assistance to those farmers, to help assure them that their incomes may be ade-