

*Prairie Grain Stabilization Act*

"transitional" payments. 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.

Let me sum up the two recommendations made in the brief which are pertinent to this legislation:

1. The "transitional" payment must be made immediately and not be made conditional either upon acceptance of the rest of the bill as it stands or upon its rapid passage.
2. Aside from the "transitional" payment, the bill is not acceptable as it now stands. While supporting the principle of a stabilization policy, the Federation position is that the following minimum modifications to the policy are required to make it acceptable.

I could go on to read at some length, but what is said is incorporated in the two motions now before the House.

The Alberta Wheat Pool also made several points in its brief, and I want to quote from it briefly to substantiate the emphasis that has been put on these amendments. On page 2, the following appears:

Attractive as a principle stability may be, the first concern shown by our members at the current time is that of income itself. They have expressed coolness bordering on disinterest in any plan of stability which does not have as its first objective, stability at a remunerative level. Within this context, our association has some serious reservations about the proposals of Bill C-244.

Then, on page 5 of their brief this statement is made:

The provisions of the bill for stability relative to this situation are unattractive. Were we heading into a period of deflation we could of course view the proposals in a different light. We are inclined, however, to accept that inflation will continue more or less along the pattern of recent times. Should this turn out to be the case, then the stabilization plan as proposed seems entirely inadequate to be of real benefit.

We have recently had debates in the House on the government's tax bill as well as the latest unemployment and inflation figures, so the worst fears expressed on June 1 have now been realized.

May I make another short quotation from the brief presented by another organization representing western farmers in order to bolster my argument in this debate. On page 10 of the National Farmers Union submission to the Standing Committee on Agriculture under date of June 3, which deals with Bill C-244, this statement appears:

The illustration serves to indicate that the shotgun approach for calculating the basis for grain stabilization payments over the total designated area on a weighted average is discriminatory and can deprive a specific region or even areas within a region itself from receiving payments or result in an unjustified transfer of income from one region to other regions or between farmers within a region itself.

This is another of the basic complaints that we have received about this legislation and the motions now before the House have particular relation thereto. The National Farmers Union goes on to say this:

Not surprisingly, farmers in a region heavily dependent on grain income contribute a greater percentage of total realized net income toward the stabilization fund than do farmers in less dependent regions. Although not based on the 90 per cent concept, the point is nevertheless illustrated in Table II.

A further very real shortcoming in the Bill C-244 concept of stabilization is the absence of any price mechanism to compensate for rising costs of production.

Let me read that again, Mr. Speaker:

A further very real shortcoming in the Bill C-244 concept of stabilization is the absence of any price mechanism to compensate for rising costs of production.

This last statement refers to what the hon. member who moved these motions was trying to emphasize. The second motion seeks to repeal or amend certain related statutes and is very pertinent to this whole discussion. In effect, it relates to the Temporary Wheat Reserves Act and the PFAA deductions, among other things. These measures have always provided some reasonable assistance to farmers by way of stabilizing their income, and had the \$87 million now owing the Canadian wheat farmers been paid to them when due, it certainly would have been of great help in keeping their industry on an even keel.

Here I have to make a point that I think is very relevant and which has been overlooked so far in this debate. I refer to the fact that under the Temporary Wheat Reserves Act it was only the wheat farmers and not the growers of oats, barley, flax, rye or rapeseed who were benefitting from this particular measure. In the present bill, the particular clause that we are debating provides that the \$87 million now due and owing to our wheat farmers who have been so seriously affected by lagging wheat sales over the past four years be cancelled, and that this same amount be included in the present proposed \$100 million transitional payments. This would mean that the federal government would provide some \$13 million only over and above what is owing the western wheat farmers. This, Mr. Speaker, is indeed a clear case of robbing Peter to pay Paul and underlines the raw deal that western farmers who have specialized in wheat growing only get from this bill.

In view of the situation facing the farmers today, and in view of the serious readjustment period through which they are passing, I suggest we must examine the proposal to base the plan on the record of returns over the past five years. This, Mr. Speaker, is the crux of the debate. The record over the past five years is so bad that we cannot be satisfied, looking into the future, that use of the past five year average as the criterion for stabilizing farm incomes is appropriate. Had these five years been good years, or had a longer period been taken into the formula, the story would be different. In the past five years we have had falling sales, lower prices, increased income costs such as interest rates, taxes, cost of machinery and repairs, inflation and fuel, with the highest cost of living in history. So this legislation does not take into consideration the continued increases in the cost of production the farmer has to pay.

• (3:30 p.m.)

In conclusion, before this bill is satisfactory it will have to have built into it a formula which takes into consideration this inflationary factor referred to in these amendments, otherwise I must advise the government it will not be acceptable to our western farmers.

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, we have before us today Bill C-244, the grain stabilization bill. We are dealing with amendments to that bill introduced in this House on June 22 by my seatmate, the hon. member for Saskatoon-Biggar (Mr. Gleave). The amendments