

### *Income Stabilization*

its principles and objectives. However, at close range it seems that we would have to start at the very beginning with regard to income security and price stabilization in the agriculture, food and fish industries.

Yet an analysis of current conditions clearly shows that there is a host of government-administered programs the aims of which are precisely those contained in the motion now before us. This motion states, and I quote:

The government should consider the advisability of implementing a Cash Assurance Programme (CAP) which would provide stability of income in the agriculture and other food industries (fish), make pay-outs on an individual basis, provide cash in the year of low income, replace or complement certain other programs—

I think, Mr. Speaker, that this first part of the motion could be discussed at great length. I would first of all say that I have serious doubts about the need to replace or complement some of the programs—by one super-program having the same objectives as those being pursued by several existing ones which have been developed in response to specific needs. These specific needs can relate to a specific group of producers or a given region. Individually administered programs aimed at a specific target group have greater chances of success than one all-encompassing super-program which must be implemented in a variety of different ways and use various means to achieve an over-all objective. There is no doubt that several programs, within a flexible system, which co-ordinates the various activities, can be more efficient in their approach, have greater chances of achieving their objectives and in the end have the same results and, I hasten to add, at a much lesser cost.

As many of my colleagues are certainly aware, we have national programs administered by the federal government which not only have the same objectives as those mentioned in the motion of the hon. member for Mackenzie (Mr. Korchinski), but which also use the very same means as those described in the first lines of his motion, namely “pay-outs on an individual basis” to stabilize farm incomes.

Mr. Speaker, may I remind the hon. member that the Minister of Agriculture (Mr. Whelan) has just announced stabilization payments of \$8.96 for each hog marketed during the last marketing campaign under the 1980-81 Canadian hog prices stabilization program. These stabilization payments of \$8.96 are individual pay-outs made directly to Canadian pork producers.

In view of the motion which we are now discussing, it may be useful to recall that the Agricultural Stabilization Act allows the government to meet many objectives pertaining to the stabilization of farm incomes and consumer prices. I would also like to remind the House that the latest report of the Economic Council which was given to us yesterday, states on page 51 in the chapter on marketing boards, and I quote:

Prior to the early 1970s, the average income position of most farmers in Canada was below that of persons working in industry or in service activities. Not surprisingly, there was substantial movement from the land. Since then, the situation has changed, and most families farming full-time today appear to be

enjoying a standard of living that compares favourably with that of nonfarm families. Undoubtedly, government support and opportunities made possible by organized marketing systems have helped raise incomes; but other factors, particularly the dramatic climb in food prices, as well as the abandonment or sale of marginal farms and the renewed interest in farming among young people, have played a significant role.

Mr. Speaker, the Agricultural Stabilization Act guarantees the producers of nine products designated in the act, an income equal to at least 90 per cent of the average prices during the five previous years, adjusted on the basis of variations in production costs. Support prices are computed annually under the act for the nine designated products, which are: beef, pork, sheep, milk, industrial cream, corn, soya, as well as oats and barley produced outside the designated zone of the Canadian Wheat Board. Other products can also be designated for price support at the discretion of the Minister of Agriculture if in his view market conditions so warrant.

The nine products for which support prices are set automatically each year include the main animal and vegetable commercial productions in Canada.

● (1630)

The Agricultural Stabilization Act, as its title implies, was passed to guarantee the producers an income despite market uncertainties. But it is also intended to protect family farms and thereby promote that type of farm operation. The payments made to the producers under federal stabilization programs are therefore limited to a specific volume of products for each farmer or operating group. In the case of pork, for instance, the maximum number of head for which payments are made was changed last year and set at 5,000 per family farm or a maximum of 15,000 head for each incorporated group of operators; at the most, three operators are eligible for subsidies, and they must prove that they share equally in the work, management and investments in the business.

The Agricultural Stabilization Act, was amended in 1975, and has been in force since 1958, Mr. Speaker. As of March 31, 1981, the federal government had paid out \$3.6 billion including, of course, its payments to the Canadian Wheat Board and Canadian farm producers, under the act.

Naturally, in the last few years, there has been a proliferation of provincial acts providing for the stabilization of farm prices and income. This year, the fact that the provinces paid out about \$35 million under that legislation indicates some degree of unrest. But negotiations undertaken a few years ago should soon result in interesting proposals that should enable us to organize the various stabilization programs across the country into a harmonious whole.

The establishment of national marketing agencies is another way for the federal government to intervene and offer assistance to stabilize prices and ensure fair income levels for producers. Pursuant to the Agricultural Products Marketing Act, the National Farm Products Marketing Agency monitors