

the possibility of allowing the committee to travel when the bill is at committee stage; and that the legislation will be brought under the jurisdiction of the Minister of Agriculture.

Mr. Jack Murta (Lisgar): Mr. Speaker, it does not seem very long since we were debating the old grain stabilization bill in this House. We were involved with all the emotions and protests which were apparent at that time. As written, the bill was withdrawn because of farmer opposition. It remains to be seen whether farmers in western Canada are in favour of Bill C-41, the western grain stabilization bill, as it has been reintroduced.

It would be fair to say that the present bill is a better piece of legislation than that brought in some years ago. But there are still many questions to be answered in connection with the grain stabilization bill; there is still the very real question of whether we in the grain growing areas of western Canada really need this program at this time or whether there is an alternative course we should be taking. In saying that, I suppose it could be said that it comes after the fact, because the government has brought in this legislation. However, I think the question is still valid.

We in the opposition are concerned whether to support this kind of legislation on second reading and, more specifically on third reading. Other than raising various questions on the legislation, I am basically neutral: my judgment will be based on the reaction we receive from farmers across western Canada. I echo all the comments of previous speakers about travelling and having the agricultural committee go across western Canada to take a good, in-depth look at what farmers are thinking with regard to grain stabilization. I believe this is necessary and that in some respects it will expedite the work of the committee. It could travel for about ten days and hear all the witnesses, whereas it could take three or four months to hear them if the committee has to conduct all its hearings in Ottawa. That is something we must take into account. Provided the time is ripe politically—in one province of western Canada at least—I hope the minister in charge of the Wheat Board will give consideration to this suggestion.

● (1600)

I started out by asking whether we really need such a scheme for grain. The concept may be valid for produce such as eggs and potatoes, but farm leaders in western Canada will be asking whether such a scheme for grain will not create a very large bureaucracy which would be difficult to stop or even to slow down. The complexity of the bill is somewhat frightening, with its maze of facts, figures and numbers, although the basic concept of grain stabilization is not difficult to understand. It is the operational and administrative features of the bill that are difficult, and this is another reason why it should be considered in depth when it goes to the Standing Committee on Agriculture after second reading.

It would seem, from the notes on western grain stabilization working paper published in August, 1974, by the government, that the main criterion was the cheapest plan for a given level of stability, a plan that was actuarially sound and based on the production the government

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wanted at that time. This, of course, in no way argues that it is the best plan for the government or for the producers; all it says is that it is actuarially sound and, possibly, one of the cheapest plans that could be devised for a given level of stability.

The key question in this debate must be: what stability is really provided to commercial, western grain producers, and at what cost; that is, what are the costs and benefits of such program, compared to the alternatives that could be considered? From the latest figures I have seen and to which other hon. member have alluded, we can expect that about one-half of the commercial grain sales in western Canada would be covered by the \$25,000 gross sales limitation imposed by the legislation. There is no evidence that farmers with sales of \$25,000 or less are in greater need of stabilization than larger farmers, and if the plan is actuarially sound, why the limit of \$25,000? This limit is unrealistically low and should be increased.

The bill appears to take the narrow view that the government is giving out money almost through the goodness of its heart to provide some stabilization, and the level of the gift is the key to this whole aspect. There are, however, direct and indirect benefits that the government receives, as well as the farmers. This is something that the minister responsible for the Wheat Board seldom refers to, namely, that the government also receives some benefit, direct or indirect. For example, Mr. Speaker, if a stabilizing, net cash flow payment occurs there is likely to be a four or five times multiplier effect on the prairie economy. Assuming standard tax levels, it would seem that the federal government would get back anywhere from \$1.25 to \$1.75 for every dollar it pays out.

There is also the question of whether the federal financial authorities might be able to deduct such payments from federal transfer payments to the provinces. Of course, this is another question which will have to be dealt with at the committee stage. The point is, Mr. Speaker, that the program is unlikely to have any net cost to the government at all. As I said before, why impose a limit of \$25,000 on sales? The limit is unrealistically low and should be raised. Clearly, the spending by larger farmers in western Canada could also have a multiplier effect. Is the middle-sized farmer which the legislation talks about the sort of farmer which the western grain stabilization program ought to be concerned about? Should the government be assisting the middle-sized farmer under this plan, because that is exactly what the legislation will do unless there is a more realistic ceiling?

● (1610)

As I have said, I have no real quarrel with the legislation. I am not on one side or the other of the argument. We shall not know for some time how the people affected by the legislation feel about it. Of course, one can ask many questions about it. What will be the situation with regard to farmers who decide to opt out, come back to the plan and then opt out again? Who is to administer the program? Who is to pay the administration costs? We must also consider the question of the three-year system for calculating individual pay-outs which seems to penalize producers who are expanding as against those who are stable or are reducing the size of their operations. The legislation seems to be aimed at the middle-sized prairie grain farmer