

Prairie Grain Stabilization Act

encountering with Bill C-176 on marketing and production, the long, dragged out hearings and amendments to Bill C-175, an act respecting grain, and a further piece of controversial legislation now on the order paper entitled "An act to amend the Canadian Wheat Board Act", it is little wonder that farmers are looking with a jaundiced eye at all of the present government's agricultural policies and wondering what is coming next. Bill C-244 is no exception. It leaves unanswered more questions than it answers.

Generally speaking, everyone in Canada should be in favour of a stabilized farm income and a viable farm industry. It has always been a well recognized economic fact that if agriculture, the second most important industry in Canada, is in a healthy state, the whole Canadian economic scene is above par. In reading this bill for the first time, it almost appears that the government's proposals are to stabilize farm income at a poverty level due to the criteria used in the three to five year averages of previous crop years immediately preceding the proposed stabilization payments. One only has to look at the low income of grain farmers to appreciate the point that I am making. Of course, this formula does not take into account the ever accelerating input costs such as high interest, higher taxes, higher living costs, machinery and fuel costs, labour costs, etc., plus the extra financial burden of farm grain storage costs that are bound to arise with the government's proposals for the storage of more grain on the farms.

The original plan of last October was to place this legislation before the House much earlier and to have \$100 million in the hands of western farmers early this spring to help compensate for the very low cash income over the past several years due to lower sales of grain at lower prices. The program is quite late. We in the opposition have suggested several times that the \$100 million acreage payment, which is so greatly needed, be made available to farmers at once. The House, and representative farm organizations, would then have time to examine Bill C-244 in committee and suggest amendments that would make this a much better piece of legislation; but no, the government would rather use this \$100 million as a bribe or political blackmail to try and push this bill, with all its faults, through the House at once. In other words, we should take the bitter with the sweet. The minister responsible for this legislation has already lost credibility by crying wolf just as we started to examine this bill. He tried to accuse the opposition of obstruction in a release to the press.

Many farmers to whom I have spoken feel that the present plan of income stabilization is an illusion or a political mirage. In fact, this is the way Mr. Roy Atkinson, head of the National Farm Union, described the bill. He suggested, as did opposition members, that the \$100 million be divorced from the bill and paid out at once to compensate for the recent shortfall of farm income. Then, we could go on from there to examine the bill more closely.

The Canadian Federation of Agriculture presented a brief to Members of Parliament on May 7, 1971, on Bill C-244. After reviewing it closely, I find that it corre-

sponds very closely with my present opinion on the bill. I would like to read some excerpts from that brief. I might say that I do not always agree with the philosophy of the Canadian Confederation of Agriculture as it affects western Canada because this organization is Canada-wide. Sometimes its viewpoint is directed more toward the benefit of other segments of society than the members of the agricultural industry. But in this case it reflects the views held by most western farmers and also the views, I might be permitted to suggest, of the Saskatchewan Wheat Pool. The Federation of Agriculture has this to say:

● (12 noon)

Bill C-244, the Prairie Grain Stabilization Act, must be judged and dealt with against the reality of the depressed income position of prairie grain growers and the need for adequate measures of income protection as well as grain receipts stabilization, not only today but in the longer term.

The bill itself must be dealt with in two parts:

1. The vitally necessary payments to be made to prairie producers as so-called "special transitional payments" in the amount of \$100 million. These payments are urgently required.

2. The long term stabilization and storage policies contained in the bill. These require much improvement.

I emphasize the Federation of Agriculture's assertion that these policies require much improvement. The statement continues:

The federation can in no circumstances view these two parts as conditional upon one another in dealing with this bill. They should not be, and need not be, conditional. We cannot accept the assumption, as a ground rule set by the government, that to get the immediate payment the long term policy must be accepted. It would be highly improper for us to temper our criticism of the long term grains policy in this bill—and we do have criticisms, and very serious ones—out of a feeling of fear and urgency respecting a possible delay of these essential "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.

The last sentence in that statement by the Federation of Agriculture is underlined. The statement continues:

The urgent necessity of immediately supplementing the incomes of prairie farmers is clearly seen in the disastrous figures on farm income recently released by Canada Statistics.

While official statistics do not separate grain and livestock on a net income basis, there is little doubt that grain growers are operating on a net loss basis or close to it in western Canada. The net realized income, for example, to all Saskatchewan agriculture was \$200 million in 1970. In the years 1963-67 it averaged \$435 million. If "income in kind" is deducted from these figures the change was from \$368 million to \$131 million. If you were to allocate one-quarter of the total net (\$92 million) in 1963-67 to livestock—a not unreasonable assumption—this leaves a net of \$276 million to grain growing. If you allocate the same \$92 million net to livestock in 1970—which is likely conservative—you reduce the net from grain growing to about \$40 million. In short, grain growers as a group are operating virtually at a loss, and they must in fact try to survive on depreciation and the consumption of farm perquisites (income in kind) valued in the statistics for 1970, at \$69 million for all Saskatchewan farmers including livestock producers. The Saskatchewan example is used because it illustrates most clearly the grain grower's disastrous income position, which for grain growers will be the same in the other Prairie provinces.

[Mr. Southam.]