

Western Grain Stabilization

naturally difficult, if not impossible, because the major variables are virtually unknown within certain areas of agriculture.

In summary, we can conclude that farmers are indeed victims of a see-saw economy. Their operations are becoming increasingly more vulnerable and subject to jeopardy because of escalating costs and capital commitments. Distribution income of rich farmers is definitely not equalizing the difference between rich farmers and poor farmers. There is a marked decline in the number of farming units. The most important factors concerning farm enterprises are, essentially, unpredictable.

● (1550)

There is great need for stabilization, but what form should it take? Yields and markets have proven to be, and still are, highly unstable. It would be unwise to stabilize agriculture beyond the point where it could respond to fluctuations in yields and markets. For example, according to this bill, in order to determine whether or by what method stabilization payments are to be made, the minister will calculate the amount of net eligible grain sale proceeds of all producers for each of the five years immediately preceding the year under review and base his decision upon the average of these proceeds and the average of the proceeds of the relevant year. Surely, given current fluctuating market and yield factors, this basis for determining possible payments is somewhat inaccurate and unreasonable. It is certainly unresponsive to major variables in agriculture. This legislative provision is only one of several which I think should be scrutinized closely and re-examined at the committee stage.

All things taken into consideration, it would seem that a policy based on the insurance principle is the best type of stabilization today. Insurance against low yield and low income is the most logical form of stabilization. The crop insurance program, based on income guarantees, is highly successful. Farmers understand it and are extremely familiar with its benefits. Therefore, would it not be advisable to incorporate the provisions of Bill C-41 into the crop insurance program, with parliament amending the program as required, thereby eliminating the need for new legislation and a new administrative process which would otherwise come about? It is my feeling that following this suggestion would be of great benefit to farmers and it warrants consideration.

I have made a number of points as to why I feel the crop insurance program should be brought into stabilization. Let us go back to the increased administration which will be necessary if this bill is passed. If the minister does not see fit to accept the suggestion of taking another look at the question of whether the Crop Insurance Act can be amended in order to, in effect, stabilize farm income and include within its bounds the variety of proposals contained in this bill, hopefully he will allow an amendment whereby the crop insurance machinery could be used at least with respect to checking inventory on the prairies. This would allow the crop insurance people, who have to go out into the area, to gather this information while they are on the farms and it seems to me it would keep costs down within the government.

[Mr. Schellenberger.]

Let us consider what this administration has been set up to do. It will maintain individual producer records on a calendar year basis for the purpose of calculating levies refundable, prepare an annual statement for each producer, calculate each participating producer's payment, if there is a stabilization payment, and maintain a three-year summary file. The records would have to contain the producer identification number, the name and address of the producer, the cumulative gross grain sale proceeds of the producer, the levy contributions of the producer and the levy refunds paid to the producer.

The administration would be established in Winnipeg as part of Agriculture Canada. The function of this administration will be to receive voluntary levies from producers, effect liaison with the Canadian Grains Commission on levy deductions of licensees, register designated producers, maintain the stabilization fund, maintain producer records, perform public relations matters for the program, answer producers' inquiries, calculate and make stabilization payments and calculate and pay levy refunds.

The minister calls this a simple program. Considering other departments which have been set up, I am sure this would be a large administration, requiring many people, and would cost the government a large amount of money to set up. Perhaps we could use the administration already in existence under the Crop Insurance Act to do many of the things the minister proposes in this bill.

If this bill passes second reading, there is a strong point to be made for allowing the agriculture committee to travel. The precursor to this legislation, the prairie grain stabilization bill, was introduced in 1970 for first reading, did not reach second reading until May of 1971 and was withdrawn from parliament. The reason for the withdrawal was heavy producer opposition. The bill did not allow the farmer to become voluntarily involved, and it involved the government putting \$100 million into the fund which, in effect, was perhaps just stabilizing low incomes. Because of the interest of prairie farmers, I think it is essential that the agriculture committee travel and obtain the opinions of farmers in at least 20 or 30 locations in the area under the jurisdiction of the Canadian Wheat Board. I think this is a very important point. I hope the minister will be persuaded to allow the committee to travel, to feel out the proposals of prairie farmers and to learn whether they believe this legislation would adequately stabilize their incomes.

There is a point being made by a number of hon. members which should be dealt with briefly, but dealt with nonetheless. This bill, which deals with the income of prairie farmers, should be under the jurisdiction of the Minister of Agriculture. The Canadian Wheat Board was only set up to deal with the marketing of the product of producers and not with their income. I think it would be consistent of this legislation were under the administration of the Minister of Agriculture. I believe that a very strong case could be made for an amendment in this regard, and it should be brought forward in committee for perusal.

I conclude by saying that I hope a number of the points which have been made will be considered by the minister; that he will consider using the Crop Insurance Act as a vehicle to administer this legislation; that he will consider