prairie farm assistance would be phased out, and that the legislation under which the government paid for storage of farm-stored grain will also be phased out. All this will take a lot of money away from the western farm economy at a time when costs of production are rising year by year, placing producers in a worse position as each season goes by. I should like to end by saying that this legislation will not ensure the producer of an adequate return for his work.

Mr. Lorne Nystrom (Yorkton-Melville): The bill before us today really relates to two separate items. The first has to do with transitional payments to farmers in an amount said to be $100 million. The other part deals with the setting up of a stabilization plan and the fund required for its operation. I wish to join others in the House in calling upon the minister to withdraw this bill and reintroduce it as two separate measures.

The provision for transitional payments is short-term in its nature; the money is required for immediate payment to farmers. The stabilization provision, on the other hand, is a long-term plan, more fundamental in terms of income security for western farmers. We are not alone in asking that the legislation be introduced as two separate bills. I noticed earlier today that the minister in charge of the Wheat Board appeared to be stunned when hon. members questioned him about a statement made on behalf of the Canadian Federation of Agriculture. I want to remind him that the Federation has urged that this measure be treated as two distinct bills. As proof of this assertion, I wish to quote from the first page of a statement on prairie grain income and stabilization needs issued by the Canadian Federation of Agriculture on May 7. The Federation stated:

> 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 criticisms 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.

I doubt whether there is anyone in the House who would speak against the need for an injection of cash into the western economy, but it amounts to political blackmail when the minister in charge of the Wheat Board includes both the transitional payments provision and a proposal for long-range change into the same bill. In my view, he has done this intentionally; it is the type of thing the government often does.

I notice that in a press release issued on May 7 the minister responsible for the Wheat Board made the following statement with regard to the debate in which we are now engaged:

> It is simply a filibuster, and for no apparent reason. If it continues, it could cost the western farmers $100 million this year.

Statements of this kind will not speed up the passage of the bill before us, or help accomplish anything for western Canada. The minister should forget about playing petty, partisan politics. He should agree to separate the different parts of this bill in order that the farmers can get this bit of money immediately. Parliament, in turn, will be able to seriously debate and consider ways of dealing with farm incomes in the future.

I wish to deal with the proposition relating to transitional payments. References have been made to a sum of $100 million in transitional payments to farmers in Canada. This, in itself, is misleading. Under the legislation before us, the Temporary Wheat Reserves Act is to be terminated and I am told this will mean a saving of approximately $50 million next year. The government will have got rid of that responsibility. PFAA will also be terminated. Under that plan, the producer was contributing 1 per cent of his annual earnings, and I understand that last year the government participated in the fund to the extent of between $5 million and $6 million. So, altogether, the government is saving around $55 million. On this basis, the increase in expenditure is probably closer to $45 million than it is to $100 million. The minister in charge of the Wheat Board should be honest with the Canadian farmers and the Canadian people at large and not talk of a payment of $100 million when it is by no means as much.

• (3:50 p.m.)

I also think that the transitional payment is much too small. As I have said, we are talking of an expenditure of about $45 million odd. I think a much larger injection of cash than this is needed. For some time the farm organizations have been calling for an injection of $250 million into the western economy, and their argument is valid today. The western farmers are still suffering severely from lack of income, just as they were last year.

For reference purposes I want to quote a few figures issued by Dominion Bureau of Statistics a short time ago relating to the net income of farmers, from which the House can readily see the seriousness of the situation in western Canada. We find that since the present government took office in 1968, net farm income in Canada has fallen in two years by $516 million. In Saskatchewan, the province from which both I and the minister come, net farm income over the same period has dropped by 56 per cent, a drop that is almost unbelievable and which illustrates why I and others from Saskatchewan are so concerned about this bill and other pieces of agricultural legislation.

According to these figures, the net income of farmers in Saskatchewan in 1968 was $462,348,000 while two years later, in 1970, it had fallen to $202,718,000, a drop of roughly 56 per cent, I think all members will realize that this suggests there is something fundamentally wrong with the western Canada economy, something that a small injection of cash, whether $50 million or $100 million, is not going to solve. In view of this I think members of this House should consider making some fundamental changes to the benefit of agriculture.