

Fifth, the maximum coverage available under the plan limits its usefulness to medium and large-scale grain producers. If you are a small operator, the chances are even, if there is a pay-out under the Western Grain Stabilization Plan, that it will not pay a small operator proportionately as much as the large operator. One of the factors we should be looking at in all stabilization plans is to keep as many farmers on the land as possible. All three Parties in this House espouse a position of support for the family farm. The family farm is a farm where the people within the family are involved in production. Quite often it is a very small farm, but because of the structure of the Western Stabilization Plan, the small farm will not get a proportional payment even if a payment is made relative to what the small farm paid in. There is a maximum payment into the plan. If you are a large farmer you can pay only so much in, but that large farmer can get money out in greater proportion. If you sell over \$60,000 worth of product, the chances are you will get twice as much out as what you paid in than the fellow who paid in less than \$60,000. That is a figure I have taken from the report of the Canada Grains Council.

I am not going to spend much more time on this issue, but I do want to put on the record some factors which were brought before the Government by an agency of the Government which were not taken into consideration when the amendments were made to this Bill.

There are two more shortcomings to the Western Grain Stabilization Act on which the Grains Council commented. Sixth, since the pay-out from this program is after the fact, the farmer does not get the money when he really needs it. The Hon. Member for Assiniboia (Mr. Gustafson) took up this factor and other Members have taken it up over the last few months in our discussion about western grain stabilization. When the farmer needs money the most, it is not available to him. He has to prove that he needs the money before he can get it. Quite often it is obvious that during a particularly productive period he is going to get it and he should be able to get it. This situation is not going to be helped a great deal. It is helped a little by the change from the calendar year to the crop year, but not as much as it could be. Even the suggestion made by the Minister that the Government this year will put in a once only interim payment proposition does not significantly affect the idea that the money should be paid as quickly as possible to the farmer in those years when he needs money. As you can see, Mr. Speaker, the Grains Council has done a very thorough job.

Seventh, the way the current program is constructed, pay-outs are based on producer contributions under the program. Again, a small farmer will not get back what he needs at the time of a crop failure or a bad market, whereas the larger farmer might get the return.

Those are positions the Government had available to it when it drafted these amendments, but the Government ignored them. None of the deficiencies which were articulated by the Grains Council were taken into consideration when the Government drafted the amendments before us today. It would seem that a government responsible for the planning and the

viability of a total industry like agriculture, especially when dealing with the part of it which earns probably 70 per cent of our foreign exchange, would be sure, having identified the shortcomings, to take those shortcomings and make them part of the restructuring of the Bill.

It is not as if the agricultural community does not know what is going on. I have here a telegram from the Saskatchewan Wheat Pool. At the Saskatchewan Wheat Pool's 1983 annual meeting a resolution was passed. Before I read it into the record, let me digress for a moment. In the agricultural community we have known that the Western Grain Stabilization Plan has not been working and does not work. We have known that for a good number of years. In 1981 approaches were made to suggest that perhaps we should look at the grain stabilization triggering mechanism. Payments were made in 1977 and 1978. In 1979 we experienced the lowest operating margin ever. In that year there was no triggering of the payments. We knew a year after the last payment that the mechanism in the Act did not work. We have brought that to the attention of the Government many times.

● (1340)

However, the Saskatchewan Wheat Pool indicated the following:

That the federal Government undertake serious examination and review of the Western Grain Stabilization Plan which would consider the following: indexing previous year's income and expenses, indexing for changed volumes of grain sold, inclusion of depreciation and all interest expenses, pay-out on a regional basis, provision for an opting out clause, reducing the averaging period from five years to three years, changing the year-end of the plan from calendar to crop year, and allowing producers to pay a levy on farm fed grain. Such examination to consider the actuarial soundness of the plan and its responsiveness to producers' needs.

That was passed at the 1983 annual meeting of the Pool. The proposed amendments take into consideration a number of these proposals; however, the Wheat Pool went on to indicate:

The proposed amendments while a step in the right direction fall short of meeting our organization's policy objectives, particularly with respect to the inclusion of depreciation and all interest expenses and allowing producers to pay a levy on farm feed grain. We would urge serious consideration of these provisions in the comprehensive review of grain stabilization policy for the prairie region.

The board of directors also stress that upon early passage of legislation there is a need for an immediate interim payment to provide critically needed cash flow to producers.

This communication was signed by J. O. Wright, Corporate Secretary, Saskatchewan Wheat Pool.

Farm organizations have a very clear understanding of the need for income security and how it would be possible. It cannot be accomplished by price controls; it has to be done in a method which is relative to costs of operation. Before resuming my seat, I want to spend a few minutes dealing with the suggestions of the New Democratic Party as part of the whole process of stabilization for farmers, especially grain growers and particularly in terms of the Bill with which we are dealing today.

The premise upon which the agricultural industry operates is that over a long period of time average returns from the