

Adjournment Debate

Obviously, the concern about political interference, whether justified or not, arises from the fact that we had an election in 1979 and there were payouts in 1978 and 1979. You will recall, Sir, that in both of those years the public was suspicious. The Minister said in answer to a question by the Hon. Member for Red Deer (Mr. Towers) two days ago that he does not expect to pay out this year, and we are expecting an election next year. Again, we have the suspicion of political interference. I am not going to say those suspicions are fact, Mr. Speaker, but I do believe it is important that the Government become cognizant of the concerns which exist.

● (1800)

One of those concerns, Mr. Speaker, is that the plan is not sensitive to the actual economic needs of farmers. Secondly, Sir, when we do this on a regional basis we make it less sensitive to the individual farmer's needs as opposed to a region's needs. That has two faults. First of all, it is possible to be on the borderline, or on the wrong side of a region, and to have suffered drought or low income but not get anything at all because the region was not affected. Conversely, as I know is the case, people who had wonderful farm incomes, because they were in a region that was generally depressed were getting their normal income plus payments from the Western Grain Stabilization Fund.

I want to make this point strongly, Mr. Speaker. One of the main wrongs is that because the program covers a region it covers the fertilizer and machinery producers, the industry, on a regional basis. We do not have a program to protect individual farmers, but we do have one which protects essentially the broad base of our agricultural economy. The combine and tractor builders and the fertilizer manufacturers now have a guarantee that their stability is assured, but the farmers' individual stability is not.

I raise this broad spattering of a number of concerns about the program because I believe it is essential, since I believe there is going to be a review in October, to first of all invite Prairie farmers to send their representations to the Government. And secondly, to encourage the Government to invite the appropriate Committee of the House of Commons to start asking enough questions to ensure that this program is sensitive to individual needs, and that the farmers themselves will have an opportunity for extensive input into any changes that to be recommended.

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the suggestion that payouts under this program are connected to elections could only come from a warped mind like that of the Hon. Member. I just cannot seem to follow his logic. The Hon. Member makes the point that the five-year averaging method used in the western grain stabilization program is, in his estimation, not sensitive enough as a level of support for making payout calculations. He uses the words "not sensitive to individual farmers' needs". As the Minister has pointed out in previous exchanges between himself and the Hon. Member for Kindersley-Lloydminster (Mr. McKnight) on this question, the Government is aware of the

concerns expressed more recently by the advisory committee on the five-year averaging method, which is part of the current legislation. The Member does not seem to realize that. It has proposed a shorter averaging period to, say, three years, which would make it more sensitive to the current situation. That is what he is after. What it at the base of the concern is that the program payouts are not triggered quickly enough when net cash flow of western producers is dropping.

A major review which has been conducted is close to completion. Various adjustments or options for the Government which might alter the program and improve its effectiveness are under consideration but have not as yet been submitted to Cabinet. A change to a three-year average level of support would be one change that could be considered. I should like to add, however, that a three-year average would not have resulted in a pay out for 1980, 1981 nor 1982.

● (1805)

As has already been pointed out, a three-year averaging formula would respond more quickly to downturns in the farm economy. However, there are risks that payouts from the fund on this basis might damage the soundness of the program. The Government has to assess these possibilities very carefully.

The inference in the Member's question is that the effects of incorporating adjustments for inflation into the formula might make it more sensitive. However, the review of the program has suggested that had this been incorporated in the five-year averaging formula used in the past seven years, the western grain stabilization program would no longer be a sound program at the current levy rate. A period of rapid inflation which could make the program less sensitive to the western producers' needs is recognized.

There are, of course, a number of other areas of concern that have been brought out in this review and these touch on other matters outside the number of years averaged as a base for pay-outs.

I understand that there have been recommendations by the advisory committee to the Minister responsible for this program that the Government also consider a change so that receipts be calculated on a crop year basis rather than an annual basis, and participation options which would allow producers some opportunity to opt out under certain circumstances. Increased program flexibility would have to be balanced against maintaining a sound program. Other recommendations extend to including interest costs for farm equipment which are currently not included as eligible expenses under the program.

The Hon. Member should recognize that a major reason the fund has not been triggered, despite lower grain prices and higher costs, is the increasing volume of producer deliveries and export sales each year. These volumes have risen each year as the transportation and handling system has expanded and the Canadian Wheat Board has successfully increased export sales.

Nonetheless, I can point out to the Hon. Member that the Government will be taking into consideration the concerns