The minister knows the threat that this attitude presents. For farmers to take advantage of the program in the early years and then withdraw simply leaves the program bankrupt and debt ridden, which is not the idea at all.

Then the next government—and there will be another government—has to start from scratch repairing the mess and trying to retire yet another Tory generated debt.

However, the biggest threat in my constituency is the fact that many producers have not belonged to crop insurance or the Western Grain Stabilization Program. They have not paid insurance premiums in the past. The premiums are not part of their cash flow at present.

Now GRIP comes along and requires a hefty premium to be paid. That premium of $8,000, $12,000 or $20,000, depending on the size of the farm, is a brand new up-front expense on many of these farms. It is an expense that cannot be met. It is an expense that may mean many will not be able to participate in GRIP, even if they want to participate, because the government has been saying that transition funding, spring feeding funding, or any *ad hoc* funding will be tied to participation in GRIP.

These producers are doomed to an even more marginal existence and a more rapid removal from the land. For the average producer on the prairies, one who is in debt, one who requires off-farm income to make ends meet, one who is confused and concerned about his future, GRIP and NISA are no answer to the immediate and devastating problems facing them.

As I have said, after reviewing Bill C-98, after reviewing testimony before the Standing Committee on Agriculture, and after discussing this with significant numbers of producers in my constituency, I cannot in good conscience support the passage of Bill C-98 and give the federal government my consent to pursue federal-provincial agreements which would set these agricultural programs in place. Rather, I would urge the Minister of Agriculture to pursue another course. I am glad he is in the House today to be able to hear what this other course is.

That other course would include an immediate spring seeding payment, the lowering of interest rates on farm debt, the development of long-term, long-range agriculture support programs which include sound transportation programs and, most of all, a commitment toward an income policy that guarantees a fair price for agricultural products: grains, oilseeds, specialty crops, as well as dairy and meat products. As I have said before, a fair price in my eyes must cover at the very bare minimum the farmer's cost of production.

I continue to believe, as I said at second reading, that the GRIP and NISA programs indicate that even this government knows there is a need for a long-term income stabilization in the farm sector in Canada. However, GRIP and NISA are only a recognition of this point. They are by no means an end. Much has yet to be done.

• (1805)

There is no reason why this government cannot reintroduce its program of deficiency payments to meet year by year needs, until an adequate and fair income stabilization program can be developed. It is the very least we can ask. The industry and the future of hundreds of farm families depend upon it.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I think I am rising to close the debate on third reading of this bill.

Today we are faced with massive farm income problems across Canada, brought on in part by the farm bill introduced in the United States several years ago. It has had the effect of creating a world price for wheat and other major grains which is consistent with the loan rates established by the U.S. government.

Its farmers are well protected because they get the loan rate, which currently stands somewhere in the neighbourhood of $2.30 or $2.40 Canadian for wheat. They are also guaranteed the target price by way of deficiency payments at the end of each crop year. U.S. farmers are getting a return that covers the cost of production of a big chunk of their farm community, whereas our farmers are being asked to work under a loan rate which is almost half that price.

In order to compete in world markets we have had in Canada some recognition of the ups and downs of the market. We have had in place the Western Grain Stabilization Act. It has had a long career of almost 15 years since 1976. Today the minister announced what I presume will be the final payment out of that act of $158 million. This $158 million will be appreciated by western farmers, because it will go a little way toward paying the premiums under this new GRIP program. It will pay a fraction of those premiums.