Assiniboia. I would like him to explain to the Minister of Agriculture—who I hope will gain control of this eventually—the three formulas. I do not think it is complicated, but I think hon. members will agree that it is confusing.

The Canadian Federation of Agriculture explained it to the members of the agriculture committee in a letter recently, when it wrote this:

> The legislation therefore contains a formula for calculating the ratio which first of all adjusts for inventory changes, but also reduces the marketings and inventory changes to numbers of acres based on the average five year yields.

Of course the minister is familiar with that because he used that part of it in some other legislation. This letter goes on to say that:

> These are compared to the numbers of acres of grain seeded, to give the marketing to production ratio. Table I gives a simplified example, using only two grains, of how this ratio is arrived at. Table II, which follows, shows how the stabilization payments are calculated.

I will read from Table 1. There are, of course, six basic grains in the index that have to be administered. The table is as follows:

● (2130)

Table 1—Marketing to Production Ratio (example—not actual figures and as if only two grains are involved—wheat and barley)

	Wheat	Barley
Production	675 million bushels	532 million bushels
Marketings	500 million bushels	250 million bushels
Inventory change	+ 25 million bushels	+ 25 million bushels
5-year av. yield	25 bushels/acre	40 bushels/acre
actual yield in yr.	27 bushels/acre	38 bushels/acre
acreage seeded	25 million acres	14 million acres

That is not difficult, Madam Speaker. Those are just the actual figures. But the table continues:

(1) marketings ÷ 5-yr. av. yield: $\frac{500}{25}$ = 20 million acres; $\frac{250}{40}$ = 6.25 million acres

(2) inventory change ÷ 5-yr. av. yield: $\frac{25}{25}$ = 1 million acres; $\frac{25}{40}$ = .625 million acres

(3) Adjustment

$$\frac{\text{seeded acreage} \times (\text{5-yr. av. yield} - \text{actual yield})}{\text{5-year average yield}}$$

$$\frac{25 \times (25-27)}{25} - 2 \text{ mill. ac.} \quad \frac{14 \times (40-38)}{40} = .7 \text{ mill. ac.}$$

Marketing/Production Ratio

$$\frac{1 + 2 + 3 \text{ for each grain}}{\text{total of seeded acres}} =$$

$$\frac{20 + 1 - 2 + 6.25 + 6.25 + .7}{25 + 14} = \frac{.26.575}{39} = .6814$$

That is very simple, Madam Speaker. That is only the marketing production ratio, and the minister understands that.

It gets more complicated in Table II, however, which follows:

Table II—Calculations of Aggregate Stabilization Payment—Simplified Example—not actual figures

	Example
A. Marketing to Production Ratio (see Table 1)	$ .6814 (ratio)
(1) area gross expense	$ 1.5 billion
(2) area net expenses ($(1) × A) 1.5 × .6814	$ 1.0221 billion
(3) aggregate gross grain sale proceeds	$ 2.0 billion
(4) aggregate net grain sale proceeds [(3)−(2)] ($2.0−1.0221)	$ 0.9779 billion
(5) aggregate gross eligible grain sale proceeds	$ 1.8 billion
B. Ratio of $\frac{5}{3}$ $\frac{1.8}{2.0}$	.9 (ratio)
(6) aggregate gross participating eligible grain sale proceeds	$ 1.7 billion
C. Ratio of $\frac{6}{5}$ $\frac{1.7}{1.8}$	9.44 (ratio)
(7) net eligible grain sale proceeds [(4) × B] $0.9779 × .9	$ 0.88011 billion

That is "not complicated," Madam Speaker. We heard the hon. member for Assiniboia (Mr. Goodale) quoting the Minister of Justice who says it is not really complicated. I can go on.

Mr. Knowles (Winnipeg North Centre): Are these figures seasonally adjusted?

Mr. Peters: Not yet.

The Acting Speaker (Mrs. Morin): Order, please. Will the hon. member for Timiskaming allow a question?

Mr. Peters: Yes.

Mr. Goodale: The question is simple, Madam Speaker. In my remarks a few moments ago I did not say the program was not complicated, I said it was in fact complex. The question is whether that is sufficient reason in itself for not going ahead with the plan to assist the incomes of western grain producers. Is it complex enough to say "scrap the whole thing"?

Mr. Peters: Madam Speaker, I was not trying to indicate that the complexity would necessarily be against the plan,