

Adjournment Debate

brought to its attention through the major review of the program and those made recently by the advisory committee.

GRAIN—INCREASE IN PREMIUMS—REQUEST FOR CHANGE IN PAYOUT FORMULA

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I certainly appreciate the courage and stamina of my colleagues who, for one reason or another, are still in the House.

My question was supplementary to that of my colleague, the Hon. Member for Crowfoot (Mr. Malone) regarding the grain stabilization program as it now exists and the concerns that have been expressed about it by producers.

Several producers have expressed concerns, not only recently but over the past number of years, about the effectiveness of the stabilization program. Most people would consider a stabilization program to be something that would stabilize the cash flow of producers in western Canada in the grain areas. It is not, and this is perhaps unfortunate, and was not designed as an insurance program, but as a stabilization program.

The review legislation that is in the Act had not been acted upon until recently. There is now an advisory committee to the western grain stabilization program that is acting. They have put forward two suggestions, of which I am aware, and the Parliamentary Secretary referred to one of them, that is, to bring the average payout calculation down from five years to three years. That would have triggered a small payout in 1982 and it definitely would have triggered a payout in 1983. When one considers the plight of western grain producers in those two years and the cost-price squeeze that has been imposed upon them, as well as the loss of income in real dollars which they have suffered, that payout in 1982 and in this present crop year of 1983 certainly would have been welcomed.

The western grain stabilization advisory committee, which was established to advise the Minister on these matters, made another suggestion which the Parliamentary Secretary forgot to mention. It suggested that it would be beneficial for the inflation rate to be established as a criterion on calculating the payout. My colleague, the Hon. Member for Crowfoot used that in his question as a basis for his concern about the lack of money that would be available, and lack of payout in the years when it was necessary to maintain a cash flow for the producers. The western grain stabilization policy committee has asked and recommended that inflation be considered in the review along with the shortening of the three-year payout.

● (1810)

One of the concerns about the payout and the formula used is that certain items used in determining the cost of production are not included in the formula. One thing that has increased, I would say, tenfold since the formula was established is the cost of indebtedness for capital purchases which has been assumed by grain producers in the Wheat Board region. As I said, that has increased at least tenfold, and that key figure,

the indebtedness of the grain producer, is not used to my knowledge in the formula for establishing the payout.

The Minister was questioned yesterday by the Hon. Member for Crowfoot and myself, and the day before by my colleague, the Hon. Member for Red Deer (Mr. Towers). Proposals of a general nature have been put forward. I would like to hear from the Parliamentary Secretary and the Minister as to the acceptability of some of these proposals for consideration.

What about a self-administered RRSP? This would allow the producer on an individual basis to withdraw a fixed number of dollars from his income in years when his income was high and shelter it from tax until a specific year when his income fell. He could then draw that sheltered tax money down and use it to stabilize his cash flow. Those of us in the farming industry realize how cyclical in nature the financial returns are in the production of grain. That is a positive suggestion and it is something which could be considered very easily by the Department of Finance in conjunction with the responsible Minister. It would not really be an impingement on the finances of the Government. The Government could continue to make its contribution to the producers by allowing them to draw from income that was protected in years when their income was high.

Another matter of great concern and the subject of a recommendation that has been put forward by the western grain stabilization advisory committee is the decision to opt in or out. I would suggest very strongly that they be allowed to opt out. Since the plan started the maximum to be paid by producers has increased from \$500 a year, to \$900, and it is now 2 percent of \$60,000, which is \$1,200. I would suggest that, in all fairness to the producers, every time the premium is increased they should be allowed to decide whether or not to opt out. It would only seem natural that in fairness we should not lock people into a plan which forces them to pay a higher premium for stabilization than what was originally estimated. I will be interested to hear the Parliamentary Secretary's remarks.

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I thought the Hon. Member would be tired of hearing from the Parliamentary Secretary, but I do want to say how much we enjoyed having the Hon. Member on the Transport Committee. He attended almost all of the hearings when we travelled across Canada. He is sitting faithfully through the debates on Bill C-155. I want to congratulate him for extending his working hours and taking part in this adjournment debate.

The Hon. Member for Kindersley-Lloydminster (Mr. McKnight) makes the point that the western grain stabilization program apparently can be altered to respond to certain concerns, but not to others. It is true that the Government can raise by Order in Council, under very specific circumstances, the maximum ceiling on grain receipts so that an individual producer participating in the program would have his or her levy contribution increased.