

Prairie Farm Assistance Act

Mr. Hamilton (Qu'Appelle-Moose Mountain): In my remarks on Friday I described how, when the government changed in 1957, the Diefenbaker administration, under express orders from the Prime Minister and his cabinet, tried to clean up the situation not only in regard to PFRA but also with regard to the PFAA legislation. It was a tough operation to make it clear to everybody concerned that no more dishonesty would be allowed in handing out the farmers' own money to farmers. In this regard the evidence given in the Standing Committee on Privileges and Elections, and again during court proceedings held in Saskatchewan on the question in 1964, revealed that that administration was vindicated.

I want to say in fairness that after the government changed in 1963 there was no evidence that PFAA had gone back to its old habits. One of the reasons—I think I made this clear on Friday—was that the man who was put in charge of this in 1961 was a man known to all municipal councils and secretaries in the whole province, Mr. Howard Riddell. His reputation for honesty and hard boiled integrity was such that, with him in charge of it, everybody knew things would be run honestly and fairly, and he was in charge from 1960 to 1974.

However, during the last few years we have begun to detect signs that the old machine is coming back into operation, and this has a bearing on this bill. This bill seeks to repeal this legislation. Actually, for all practical purposes, the government, without any authority from parliament, repealed the act long ago.

I commenced my remarks on Friday by saying that when, in 1970, the government decided to impose controls on the western farmer under the so-called LIFT program, the program was entitled "lower inventory for tomorrow", but turned out to mean "low income for tomorrow". Under this control mechanism of supply management, once again you met a whole army of inspectors. They had the PFAA organization in place. It was not being utilized by the government. Therefore the government brought that administrative procedure into action to handle the grasslands program and the summer fallow program under LIFT. Under LIFT farmers were told that if they did not do what they were told, which was to get away from growing wheat, and that if they did not summer fallow their land a second time, or go into grass, they would lose their quotas to sell. So 85 per cent of the farmers, who had to have some money in order to live, had to obey the government and go into summer fallow the second time, or into grass.

Since the farmers were asked to take these uneconomic steps such as reducing their production of food, or doing things dangerous to their rotation system, such as summer fallowing twice in a dry desert area, the government paid them \$6 an acre, which was roughly the cost of running over the land in summer fallow. They were also paid for going into grass. This is where I think the opportunity arose for those in the program to visualize, having all these inspectors inspecting the amount of land that was in summer fallow and the amount of land that was in grass, how easy it would be to build up the old political machine again. "Tell your friends, don't worry; submit any figure, we will accept it" that was the type of technique used.

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

All of the areas in summer fallow were photographed and surveyed by aircraft. After long study of these photographs, and through other techniques, it was discovered by those who keep the accounts that more money was spent than should have been spent on land in summer fallow. Likewise with the grass program; more money was spent on that program than should have been spent. Then instructions went out to collect from those people who got too much money. All this happened at a time when there was an election campaign going on, and no political party in power wants to antagonize too many voters by collecting money from them that they receive wrongly.

● (1600)

After the election they started this collection procedure again and, low and behold, another election came on in 1974. Then very peculiar instructions went out. This long history I have described led to the facts I mentioned on Friday. I asked the minister in the House whether he was aware of these things and whether he would investigate. He said he would take a look, and I read that reply into the record.

Later on in the week the hon. member for Red Deer (Mr. Towers) asked if the RCMP fraud squad was being asked to investigate these particular allegations of fraud. Let me say that under the rules of the PFAA, in order to keep it honest, the director sent all supervisors and field men instructions, that during election campaigns they were not to do anything not specifically directed by the supervisor. This was to keep these inspectors, or field men, off the farmers' backs and away from any criticism as to inducements being offered or threats being applied.

After the election was over on July 8, the field men in x number of locations appeared with second expense accounts. In the normal course they submit their expense accounts to the supervisor who looks over the jobs they have done, signs his name, and submits them to a higher authority for final payment by the treasury office.

When the supervisor in these locations saw that these new expense accounts covered periods of time for which the inspectors had already been paid, they refused to sign them, then phone calls were made. Somebody gave the order over the phone not to worry about the supervisors, but to get these expense accounts sent to Regina where they would be signed and paid. This involved expense accounts being paid twice for the same period.

What were we to do with this information? I am not going to go over the story told by the hon. member for Red Deer, or his conversations with the RCMP. The hon. member for Swift Current-Maple Creek (Mr. Hamilton) and the hon. member for Crowfoot (Mr. Horner) will tell their stories later. What I am saying is simply that when you have a situation in which there have been financial irregularities, the Auditor General should be asked to do an audit. So the Auditor General sent his staff in to photograph all these documents. There is a limit to what we should say on a matter under investigation under our sense of responsibility. I have gone as far as I think I should in saying that this matter is being investigated by the Auditor General's department and by the RCMP fraud squad.