plan gave the most significant increase in stability over the base plan per dollar of incremental cost to the government.

This, however, in no way argues that it is an optimun plan to either government or producers. The key question becomes: what stability is really provided to commercial western grain producers, and at what cost? That is, what are the costs and benefits from such a program compared to alternatives?

From the latest figures I have looked at, we can expect that about one half of the commercial grain sales in western Canada will be covered by the $25,000 gross sales limitation. There is no evidence that farms with sales of $25,000 or less are in greater need of grain stabilization as opposed to larger grain farmers. Clearly, under a continued inflationary environment it is unlikely that the degree of coverage would rise from depressed prices. Rather, one can only expect that the volume of grain output covered would decline by 5 to 10 per cent per year. Therefore, the statement that the "$25,000 limit is subject to change so that it accommodates trends in price levels and in farm development" on page 14 of the government working paper is vitally important to confirm.

The bill appears to take the narrow view that the government is giving out money benevolently to provide some stabilization, and the level of the gift is the key focus. There are, however, direct and indirect benefits that the government receives, as well as the farmers. For example, if a stabilizing net cash flow payment occurs, there is likely to be a four to five times multiplier effect on the prairie economy.

Assuming standard tax levels, it would seem that the federal government would get back anywhere from $1 to $1.50 for every dollar it pays out, and that the federal financial authorities might attempt or be able to deduct such payment from federal transfer payments to the provinces.

The point is that the program is unlikely to have a net cost to government at all. Therefore, why have the $25,000 gross sales limit? Larger farm spending could be expected to have similar multiplier effects, so the question becomes; is the middle-size farmer the appropriate structural objective for western grain stabilization?

There will be lots of questions raised about entry, re-entry and getting out later. Who administers the program, and who pays the administrative costs? There is also the question about the three-year system of calculating individual pay-out that penalizes those producers who are expanding outputs as compared with those who are stable or who are reducing output. Hence the plan would seem to be biased against young farmers.

We go back to the first question: do we need this scheme, this whole new ball game for grain now, and will it be administrable? It seems that the economists who worked up this plan may have been looking backwards too much. Certainly this scheme was needed 20 years ago. When we look to the future, I am not so sure. We need a list of priorities, and right now. I suggest labour disputes, transportation, high taxation and high interest costs should be right at the top. What alternative is there to this plan? We have the basis for a good crop insurance program administered by each of the western provinces. I would much prefer to see more stress placed on improving the crop insurance program at this time.

We need a plan to take account of regional differences in the Canadian Wheat Board area, such as climate and soil type. Bill C-41 deals with the prairie economy as a whole. One of the dangers to a plan such as Bill C-41 is that it tends to shelter the farmer from the marketplace. It is another block between the producer and the realities of the marketplace. The government could be doing much more to bring about a meaningful international grains agreement.

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There should be some means of reassessing this program after it has been in operation for four or five years. It seems to me it will reward those whose production is declining, but do nothing for those whose production is expanding. We might ask if farm to farm sales are to be excluded. What about the eastern grain growers? Are they not interested in this scheme? Should they not be treated in the same way as western grain growers? What about grain used for feeding on the farm?

If, as I suspect, this scheme is based on the experience of the last 25 years, surely we may reasonably expect the next 25 years to be better for agriculture. Thus, I very much question the actuarial basis which has been used, especially when the two key factors are mother nature and people.

I hope the administration of the bill will be looked after as a separate entity, and that it will be kept completely outside the Department of Agriculture. There is one thing the bill will do: it will serve as a perfect red herring to cool the whole transportation and grain situation for the government. Farmers will be kept busy all year trying to figure it out.

Grain exports are presently at their lowest point in the past five years. This stabilization plan will be understood by perhaps one out of every 1,000 producers. It ought not to be rushed through parliament. I am not aware of any producer pressure for it. We seem to be beset by any number of pressing problems affecting the grain industry. Let me mention some of them—grain transportation, rail line abandonment, the need for improved facilities at Churchill and the Pacific seaboard, a system for payment on the basis of protein content, the need to develop a soft white wheat for export, the need for a government grain storage program, the need for a measure of tax relief, the increase in labour strife and industrial disputes, the importance of developing an effective chemical designed for insect and wild oat control—

Mr. Alexander: Hear, hear!

Mr. Hamilton (Swift Current-Maple Creek): Measures are needed to arrest the decline of the rural population. Surely the government should consider using the taxation system for this purpose. When we consider the magnitude of past errors in judgment affecting the western grain industry, there is room for a lot of research here.

Great advantages may attach to the stabilizing of other products but I question the need with respect to grain at