

*Proceedings on Adjournment Motion*

I hope that when the minister rises to speak we shall hear welcome news from him, that his department has reconsidered its decision in this regard and has decided, wisely, to leave the audit services bureau, as well as other facilities, in Regina.

**Hon. James Richardson (Minister of Supply and Services):** Mr. Speaker, I should like to assure the hon. member for Regina East (Mr. Burton) that one thing I am certainly not doing is picking on Regina in any decision that is being made in the reorganization of our audit services. I can say to him that following the question he raised in the House a few days ago during the question period, I undertook a review of the changes in the structure of our audit services. As a result, I am now able to respond in some detail concerning the matter in which he is interested.

First of all, I can say there has been no decision taken to close our audit services bureau in Regina as was, I believe, indicated in the hon. member's question. It is the policy of the department to maintain professional audit representation in every provincial capital and that, of course, includes Regina. It is true that more than a year ago we made a decision to strengthen the audit services bureau in the regional offices, that is, in Edmonton and in Winnipeg. Regina has been an area office, not a regional one. This decision was taken on the recommendation of the director-general of the audit services bureau. The main purpose was, and is, to increase the professional quality and efficiency of our audit operations.

My review of this matter indicates that these changes have been undertaken with a minimum of disruption to the personnel involved. I am advised that one employee from Regina has moved to Edmonton, that two employees who wished to remain in Regina have been assisted in making suitable transfers to other federal government departments in Regina, and that one employee has been transferred to Winnipeg.

I can say, further, that this policy of strengthening the audit services bureau in the regional offices in the west is consistent with the policy we have followed in the Maritimes where our audit services bureau is now centred in Halifax. I think the hon. member will realize from the review which I have described that the personnel involved in this reorganization have been very few in number. I hope he will also recognize that these changes have been made in order to strengthen and improve our audit services in western Canada.

• (2210)

AGRICULTURE—DECREASE IN NUMBER OF FARMS  
BETWEEN 1966 AND 1971—PROGRAMS TO STOP OR  
REVERSE TREND

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, my question in many ways is similar to that of the hon. member for Regina East (Mr. Burton). The hon. member claimed that the government was picking on Regina and I claim that the government is picking on the small farmer. On May 2 I put a question to the Minister of Agriculture (Mr. Olson) as follows:

In view of the startling revelation in the census that the number of farms in Canada dropped by 15 per cent between 1966 and 1971—a

very serious situation—can the minister say whether he is now contemplating any new programs that will stop that trend or hopefully reverse it in certain areas?

The minister replied:

Mr. Speaker, the very significant upturn in incomes of farmers between 1970 and 1971 will, I think, have a profound effect on this.

I felt that that was an inadequate answer and this is why I want to pursue the matter for a few moments tonight. First of all, the real net increase of farmers in Canada has not gone up very much in the last year, contrary to what the minister claims. I believe the increase has been about 10 per cent in terms of real net income, still lower than it was five to six years ago, despite the fact that costs of production have gone up drastically.

I also point out that over the last ten years farmers have gone into debt. The year 1970 was one of the worst years on record, almost as bad as some of the years in the thirties, when it comes to the question of farm income. In the province of Saskatchewan, for example, the average net realized income of a grain farmer was about \$1,000 a year, way below the poverty line. The Minister of Agriculture's statement that there has been an increase over 1970 is really not worth a crop of beans.

To prove my point, all we need do is look at farm debt. The Farm Credit Corporation bill was debated in this House a few days ago. We find that a very high percentage of loans made by the FCC are now in arrears. Farmers in my constituency have taken out cash advances and are experiencing difficulty paying them back. Many farmers in my riding are at the point of bankruptcy or in financial difficulty, and they see no way out.

The second thing I am concerned about is that while we watch this trend continuing so rapidly we are seeing a whole segment of Canadian society being destroyed before our eyes. Each and every year small farmers are being forced off the land and this in turn causes the population of villages, towns and small cities to dwindle. In the last five years in Saskatchewan only one town out of dozens had an increase in population, the town of Moosomin, but this is located along the Trans-Canada highway and benefits from the tourist trade. Other towns suffered a decline in population—indeed, some of the small cities as well—and this solely because of the severe recession in the agricultural industry.

Let me refer to a few statistics which I think illustrate the serious problem that is confronting rural Canada. Between 1966 and 1971 the number of farms in Canada declined by 15 per cent, from roughly 430,500 to 366,000. These are the census figures as at May 1 of this year. In the province of Saskatchewan the number of farms decreased from 85,686 to 76,970, a drop of 10.2 per cent. In Manitoba the number went down by 12 per cent, in Alberta by 9.7 per cent, in the province of Quebec by 23.7 per cent, in Nova Scotia by 37.6 per cent, in New Brunswick by 37 per cent.

I suggest the number of farmers being forced off the land gives cause for serious concern and is something to which we shall have to turn our attention if we are to save, preserve and stimulate the rural areas of Canada which I suggest are a very important and vital part of our way of life, socially, economically and culturally. Many things