

*Supplementary Estimates*

The prediction in the Richardson Grain Letter that the figure of 15 million acres would be realized seems to be altogether optimistic. Reports indicate that the plan will have minimal acceptance in Manitoba and Alberta, and perhaps more effect in the great wheat lands of Saskatchewan. Statistics from the Dominion Bureau indicate that farmers will be planting about 18 million acres. If a figure of 15 million is realized, it means a net reduction of seven million acres.

The minister's plan to divert 20 million acres to summerfallow and two million acres to forage appear unrealistic and lacking in foresight. My criticism does not apply so strongly to the proposal relating to forage; that seems to be a useful program. The scheme as a whole would get rid of wheat, but at enormous cost. Because of the way in which surplus wheat is distributed all over the prairies, many farmers would still have very little to sell, while others will be left with a great deal. As the scheme was outlined by the minister, a farmer would receive payment for putting his land to summerfallow or forage, and be allocated a quota for delivering wheat, the quota being related to wheat he does not grow.

The second half of the program is, thus, attractive only to farmers who have sizeable surpluses of wheat on their farms. Their number is hard to assess but it seems likely it will amount to about 50 per cent, and to somewhat more in Saskatchewan. Farmers who have little wheat in stock would do best to try to grow a substantial crop on a small acreage. This is what often happens when an attempt is made to reduce acreage; farmers cultivate more intensively and end up with almost as many bushels as before. As a number of hon. members have pointed out, the plan tends to penalize farmers who have reduced their acreage in the past few years of their own accord.

I wish to turn, now, to a facet of the minister's announcement which seems to have escaped attention. All the announcements refer to an eight bushel quota. The minister did say the figure could be nine bushels if the maximum summerfallow came into being and no wheat were grown at all. In this respect he would seem to be on very safe ground, since some 50 per cent of farmers have no carry-over—though it is true they may be farming a smaller number of acres than the 50 per cent which hold a surplus.

Nowhere in the Lift program or in the minister's statements is the Wheat Board

[Mr. Ritchie.]

committed to taking more than eight bushels. However one tries to work out a quota to fit this new program, it seems the government is not committed to taking into the grain handling system more than about 300 million bushels of wheat. On the basis of 30 million acres of summerfallow this year, plus two million acres under forage crops, plus 25 per cent of last year's summerfallow, making up about 39 million acres of eligible quota acres, the amount of grain which can be delivered would total about 300 million bushels to reach an eight bushel per specified acreage quota. Four various reasons, though, many farmers would obviously not have the amount of wheat necessary if the full quota is to be reached. Even if the acreage under summerfallow were increased and wheat acreage reduced, there would still be less wheat delivered under the quota because many farmers would lack the wheat to fill their quotas if they reduced their acreage.

What about disappearances from the system? The minister has stated that this year 375 million bushels would disappear into export channels. Taking into account a further 100 million or 150 million flowing into domestic channels, there could be a total disappearance from the system of some 500 million bushels. But the Wheat Board is committed to taking only 300 million bushels of wheat, so there could be a loss from stocks of about 200 million bushels currently held by the Board. This would be a good thing for the government but it would really amount to transferring the burden to the farmer.

• (5.30 p.m.)

The really serious impact of this policy will be to reduce the cash flow to the grain farmers, computed on the basis of \$1.25 a bushel for 200 million bushels, by about \$250 million even at today's reduced prices. This would be nothing short of an economic disaster for the western grain farmer and indeed the whole grain economy throughout the country, particularly if this policy is carried out as bluntly as is suggested.

Even if two million acres of forage are put into crops and another six million in summerfallow more than last year, the government would contribute only \$50 million to \$55 million to the farm economy. Unless the government is committed to taking more than 300 million bushels into export and domestic systems, it seems to me the western farmer is in for a severe blow which will be felt throughout the entire western economy.