

(b)advise the minister with respect to the administration of this act.

I do not think this is good enough. I think the producers affected by the legislation are the people who should have some say with respect to how they believe the act is working.

These are the questions that this program raises, Mr. Speaker. Should a farmer be able to get all or part of his equity out of the fund if and when he decides to stop farming? An example of this would be a farmer who had paid \$1,000 into the fund. On retiring from farming, should he be repaid that \$1,000 in equity? Here I refer to a portion of clause 5, on page 5 of the bill, which stipulates that if a farmer ceases to farm, or dies, two years must elapse before the money he has accumulated in the fund can be freed. After the program is in operation, Mr. Speaker, how will someone just beginning to farm be able to participate in it? These are just some of the many questions that programs such as this raise in my mind and in the minds of a good many grain producers in western Canada. I hope we will be able to deal with them more fully at committee stage.

One of the real fallacies of the plan concerns the \$100 million that the government will give the farmers in the coming year. If one looks at the plan a little more closely, one can see that the \$100 million is made up in part by the termination of the Wheat Reserves Act and also the termination of the Prairie Farm Assistance Act. Out of the \$100 million to be paid by the government this year, I believe the cost to the treasury would be \$42 million, counting on the Temporary Wheat Reserves Act as paying out approximately \$52 million, plus a 1 per cent deduction under PFAA to be turned over to the general revenue fund of \$5 million.

So, Mr. Speaker, I suggest that what the minister has been stating from time to time is not completely true, particularly when he says that the government will be paying out \$100 million to the farmers. In reality, a good portion of the amount to be paid to the farmer will be money that he has coming to him. Instead of looking at a figure of \$100 million coming from the federal treasury, we should be looking at a greatly reduced figure. This program should be explained to the Canadian people in its proper light.

As mentioned by a previous speaker, clause 15 provides for deficits on pool accounts to be met from the grain stabilization fund. In this connection I would like to quote briefly from a speech made by Mr. Frank Hamilton, at one time chief commissioner of the Canadian Wheat Board, who said:

We have to level out the yearly ups and downs in the grain industry. Farmers must be able to plan ahead and not just be stabilized at a poverty level. I read with interest an Ottawa release about a \$100 million payment into the western economy this summer. I think that's great and I'm all for it. It went on to say, however, that losses on grain pool accounts will be recovered from the stabilization fund. I just wonder how many producers in western Canada realize that the last pool account—wheat 1968-69—required \$119,548,299 from the government of Canada in order to break even. If you doubt this, take a look at the supplementary report of the Canadian Wheat Board, 1968-69. It puts the \$100 million in its proper perspective—\$20 million short on that particular pool.

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● (3:50 p.m.)

Prairie Grain Stabilization Act

I am in basic agreement with the termination of the Temporary Wheat Reserves Act because I believe that act has had a tendency to create an overabundant supply of wheat simply because of the nature of the act itself. It is still not completely clear in my mind whether the abandonment of the Wheat Reserves Act would create storage problems for producers and elevator companies. I believe that the present facilities have not been used to the maximum. This was accentuated in the rail tie-ups that took place across the country some months ago.

The consideration must be that with the termination of the storage payments under the Temporary Wheat Reserves Act, elevator companies will be short of income. If the co-operative and private elevator systems are to be modernized and rationalized as I believe they must be, earnings will have to be generated and in all probability the farmer will pick up the costs through an increase in elevator charges. The prairie grain stabilization program is for the most part an effort by the government to lock the farmer into one particular segment of his own grain industry.

Mr. Speaker, instead of the government thinking in terms of the average cash receipts over the past five years, or the last three years, I would rather see it take a more positive attitude and project sales into the future with the outlook of increasing our grains sales to other countries. It has been shown in the past through various trade commissions to other countries that the potential is certainly there, potential that we have been ignoring for many years. I believe a far more positive approach, and one which would put money into the hands of grain producers in western Canada and would be better than asking the farmers to subsidize themselves, would be a longer range outlook so far as selling our grain is concerned.

I suggest that the minister and the government are ignoring one of the basic assumptions of farming. It is a fact that the minister must deal at all times with individuals, not abstract numbers or quantities. One of the greatest concerns of a program such as this is that it has a tendency to look at the whole of the grain industry and not at the individuals within it. I am anxious to see this piece of legislation go into committee because, while the idea of having a relatively stable grain industry for western Canada is a good one, there are parts of this legislation which I believe should be brought more into the open so that agricultural producers may have a better chance to voice opinions on it.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I shall not have time this afternoon to finish the comments I want to make on this bill, but I shall make a start. The minister wondered how anyone could work out a contribution system on the basis of net income. I agree it would be difficult. The net income of farmers in western Canada is low and some of them went into the red in the past few years. If the minister is not aware of this, he should go out into the country and listen to the farmers.

I had a question on the order paper about the amount of income tax paid by Saskatchewan farmers, but unfor-