

lar year, they would not be entitled to a payment under the plan. The payment is not even to be made on a regional basis. The plan might have something to commend it if the payment were to be made on a regional basis.

Under the previous plan as well as under PFAA, payments would be made on the basis of the need of an individual person. I suggest that the minister look at the possibility of making payments to crop districts into which areas are divided. Then, he might consider an equal distribution of payment to individual farmers. At least in that way, although a farmer in a certain area might have a good crop, the crop district as a whole would receive a payment if a crop that year were generally poor. In fact, the only way in which the plan could function fairly would be if the individual producer could receive a payment according to the condition of his crop, even though the whole area had a good crop that year and there were no general payout.

This is a blunderbuss type of payout. Under this legislation, payments will be made to farmers who do not need it and who may well have had the best year of their farming lives, while no payments will be made to individuals or areas which have experienced crop losses. Even if a whole province had little to sell that year, it still might not meet the qualifications for a general payout.

As I understand the intention of the minister in this legislation, a farmer who in the third year has guessed right so far as the market is concerned and has sold more than an average crop will be rewarded, and this would make agriculture more efficient. There may be something to be said for this, but I think the plan is too nebulous and farming is still too variable. It cannot be refined to this extent. The receipt of a payment would depend too much on the luck of the draw. It seems to me that under this program payments will not be made to those who need or deserve assistance.

It is obvious that the grain stabilization plan is in no sense a crop insurance plan. It is purely a general income plan whereby when the income in a whole area drops, money will be put into the area according to a certain formula. I believe that this plan is not sufficiently refined to be adequate. Since considerable money will be paid out, I hope that some thought will be given to improving the plan so that when an individual farmer receives a payment his needs will be more related to the payment. The minister in his statement suggested that the government policy was designed to keep small scale farmers on the farm. In speaking to this very point, I should like to quote in part an editorial which appeared in the *Winnipeg Free Press* entitled "Otto-Man Empire". I reads:

The admitted objective of Bill C-176 is to depopulate farms at the lower end of the economic scale. Under it, the stabilization clauses will drain income from these smaller farmers, and will have little benefit for them. At the other end of the farm economic scale, the quota system could easily bankrupt viable farmers who have heavy capital investment in their farms. They must be free to produce to the maximum in order to pay interest, and amortize their debts. If their quota does not permit them to do this, their earnings will not be sufficient to meet payments.

Prairie Grain Stabilization Act

The minister suggests that the objective of the government program is to keep the small scale farmers on the farm. According to the Canadian Dairy Commission, 25,000 producers were phased out in 1968, of whom 75 per cent were in western Canada. Nearly all of them were small producers. I doubt that phasing out the dairy quota was a proper way to keep farmers on the land, but that is what the minister has suggested.

● (2:30 p.m.)

In the grain stabilization program there is a provision dealing with pool payments, stipulating that pool payments will be made out of the fund to take care of any pool losses incurred during the crop year. I am sure this is a harmful provision. If enacted there would be little incentive for the Wheat Board to make sure it did not have pool losses. Further, it is wrong to take the payment out of the fund to which farmers may have contributed, even though at the time the losses are incurred they do not have any grain in the pool. It is a provision that we should examine very carefully.

I hope the government will consider changing this provision. If this is to be an income stabilization program it should not be a stabilization program for pool accounts, to make up losses when those concerned have made errors and over-estimates. There is enough instability in the grains industry, and the minister took great pains to tell us about it this morning, without adding the further instability of taking money out of the fund in order to make up pool losses.

Finally, Mr. Speaker, I suggest this bill is increasing the regulatory powers of government, of bureaucracy, over the grains industry. When this program is fully implemented the grain farmer will be so regulated that he will not know which way to move. The minister proposes to make it easier for the Wheat Board to reach its commitments, because having reached a goal of 20 bushels per authorized acre it will have no stimulus to increase sales beyond that, unless such increased sales just fall in its lap. So, Mr. Speaker, we are headed into a very regulated, regimented type of grains program, judging by this and other legislation on the order paper. I hope that when the bill is considered in committee changes will be made to make it more workable, and particularly make it more effective for the producer in a time of need.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, this proposal by the government undertakes to chart the future of the grains industry, not just of the wheat industry, but of the total grains industry of western Canada for some years ahead. Even more than that, it proposes to pattern the lives of people and of the communities within which they live. Taken with rail line abandonment, which will come about in full force in another three or four years, it may very well change many of the communities and much of the pattern of living in western Canada.

I suppose I should not be surprised that before the debate got properly under way the minister's office issued a press release accusing the opposition of deliberately