

very concept of insurance? The aim of insurance is to protect from unforeseen losses. Reducing the maximum level of insurance only seems to harm the farmer's interests more.

In farm credit it originally had \$400 million to give out in loans. This was cut by \$20 million in June of 1975, and by another \$20 million in December. These cuts have severely constrained the farm credit program. Already the farm credit corporation has committed part of next year's funds. This means fewer people will receive loans. In 1974 the average size loan was \$50,000. In 1975 it was \$65,000. Inflation and higher input costs have caused this rise so that now, when costs are at their highest, loans are at their lowest.

On farm credit loans a farmer pays 9 per cent interest and has 29 years to pay it back. Such aid is invaluable to the young farmer just starting out. However, with these cutbacks the Farm Credit Corporation seems to be becoming more conservative and refuses to lend money to those farmers it considers to be risks. This latter group usually includes the young farmers.

Rather than attacking these programs, why did the President of the Treasury Board (Mr. Chrétien) not look elsewhere for cut backs? In the Department of Agriculture itself cuts could have been made in professional and special services, and in materials and supplies. The former group is largely made up of consultants and these outside people have often caused morale problems among regular workers. Their budget has soared 35.7 per cent from the 1974-75 estimates of \$6.9 million to the 1975-76 estimates of \$9.4 million.

One cannot help wondering why the Department of Agriculture needs \$12.8 million for material and supplies? Is its turnover rate for furniture etc., that high?

Although cuts in government spending are necessary it would seem that the government is wrong in making cuts in crop insurance and farm credit. These cuts will only exacerbate the problems of many farmers. Should these problems not be met now, when costs are reasonably low, rather than in the future when it might be too late?

Mr. Irénée Pelletier (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, since 1959 the federal government has assisted the provinces in making all-risk crop insurance available to Canadian farmers under the authority of the Crop Insurance Act. The program is designed to stabilize incomes of individual producers by a guarantee against losses by natural hazards. For those farmers who have purchased crop insurance there has been a satisfaction of security and protection against crop loss disaster and many farmers who have experienced crop losses have been paid indemnities.

Crop insurance is a joint federal-provincial program in which the federal government, the provincial government, and producers participate. The program is most beneficial to producers as the producer pays for only 50 per cent of premium costs and none of the administrative costs.

The Minister of Agriculture (Mr. Whelan) has written to all his provincial counterparts explaining to them the reasons for restraining the increases in expenditures for the 1976-77 fiscal year. Officials of the provincial governments have generally expressed agreement with the restraint

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policy undertaken by the federal government. Provincial crop insurance officials have indicated to the department their willingness to meet with our officials to negotiate a mutually satisfactory means of implementing the announced intentions. Therefore the precise manner by which the reduction of federal contributions to this program will be accomplished has not yet been determined. It is not anticipated that the current costs sharing formula will be altered in the next crop year. Therefore there should be no additional cost to either the provinces or the producer.

The commitment of the federal government to this program is clearly indicated by the growth of the program in recent years. In the 1974-75 fiscal year expenditures under this program amounted to only \$31 million. Contributions in the current year are expected to reach some \$49 million, an increase of \$3 million, or approximately 5 per cent, over the 1975-76 program has been provided for—even after the reduction of \$10.1 million. Therefore it should be quite evident to all that the federal government is not reducing its participation in the crop insurance program, but rather, is applying some restraint to the rate of growth.

It remains the intention of the government to support the crop insurance program as a primary means of assistance to producers who suffer serious crop losses as a result of natural hazards.

MANPOWER—POSSIBLE ELIMINATION OF SOME YOUTH ASSISTANCE PROGRAMS—ALTERNATIVE MEASURES TO INCREASE EMPLOYMENT OPPORTUNITIES

Mr. David MacDonald (Egmont): Madam Speaker, I am returning this evening to a question which has concerned me for some time, one with respect to the chronic and consistent high unemployment rate among young Canadian people under the age of 24 years.

May I say at the outset that the Minister of Manpower and Immigration (Mr. Andras) is in the House to respond to this question and I think this is an indication of the seriousness of his concern with this issue. I believe that the minister has tried very strenuously to provide some workable solution to what I consider one of the most serious social situations that exist in this country. It is not something new; it is something that has existed for some years and has been particularly exacerbated during the time the Trudeau government has been in office.

I suspect when the history of the eight or nine years that this government has been in office—

Mr. Pelletier: Twenty years.

Mr. MacDonald (Egmont): I would hope if it should befall this country that the government is in office that long that it will not have as sorry a record as it has with respect to unemployment among young people—we would have millions of young people who would have undergone the most disheartening situation of being unemployed for a long time.

On December 11, prior to the introduction of the anti-inflation measures taken by the government in the middle of December, I asked the Prime Minister (Mr. Trudeau) whether rumours suggesting that programs like Oppor-