

*Prairie Farm Assistance Act*

discussion. I wish to say that the motion of the hon. member for Humboldt-Melfort-Tisdale is an important one and deserves the full support of the members of the house whenever it is taken up.

This motion, Mr. Speaker, in essence asks that the prairie farm assistance payments be doubled and that the levy or contribution which farmers make toward this objective, presently at 1 per cent, might be increased to 2 per cent. There is a further provision indicating that, in keeping with the general increase in farm acreage, perhaps now is the time to consider making this provision available not only to what one might call the small farm but to farms of a more medium or average size. The whole purpose of putting this motion before the house is to get from the members consideration and, I would hope, support for an extension and an improvement in this act. Over the years farmers have contributed into the act approximately \$127 million and payments out of the treasury have totalled approximately \$260 million. Hence in a very real way this is a kind of fifty-fifty partnership between the farmers themselves and the government in providing a measure of crop failure protection in time of crop failure.

We have the Unemployment Insurance Act which provides for certain benefits when workers are unemployed. That, too, is the kind of fund as to which provision is made whereby, when the worker makes a contribution, the government also makes a contribution. In our opinion, this kind of legislation is far better than handouts or social aid or any type of temporary gesture as it is based in law. It is permanent; and the law itself, together with the regulations, provides the basis for making awards.

It is perfectly true that the Prairie Farm Assistance Act does not serve all parts of the prairies in exactly the same way, because of different crop conditions. This is the kind of act which applies and provides the greatest benefits in the arid section. I refer to the Palliser triangle, an area that very often has repeated crop failures. It has cost the federal treasury over the years something in excess of \$6 million. I would ask you, Mr. Speaker, to compare this \$6 million to the \$40 million in acreage payments or to compare that \$6 million to the amount paid by the federal government towards the storage of grain when there are large surpluses. It will then be seen that this is comparatively a smaller sum of money. Even with these proposals, if they should become law, the contribution by the federal government would be much less under this act than it is under the other measures to which I have referred.

[Mr. Argue.]

This particular proposal would provide for an increase in the \$4 payment to \$8, an increase in the \$3 category to \$6 and an increase in the \$2 category to \$4 per acre. By increasing the total number of acres on which payment can be made a farmer would be able, in time of crop failure, to receive a sum of money to a maximum of \$2,400. This is a substantial sum of money. However, in relation to the cost of farming and in relation to the gross income from a farm when there is an adequate crop, it is certainly in keeping with these important changes.

This legislation does not go the whole way. We need a type of crop insurance for areas which have fewer crop failures. However, Mr. Speaker, in spite of the window dressing and in spite of all the exaggerated claims for crop insurance introduced by this government, it still applies to but a tiny fraction of the farmers on the prairies and to an even smaller fraction of the farmers across Canada. Until amendments are made to the Crop Insurance Act, it will not work as, under that act, the producer himself, together with the provincial governments, is asked to pay almost all of the cost. The federal government say they will pay a projected 20 per cent of the premiums into the crop insurance fund. However, under crop insurance, if there were a series of widespread crop failures in any province in which farmers generally are insured under the act, the provincial government would be put into bankruptcy.

We in this party have suggested that before crop insurance can be fully effective, two important amendments must be made. We have suggested that the 20 per cent itself must be increased. After all, the federal government accepts a charge of some 50 per cent of the cost under prairie farm assistance. We feel that to go from 50 per cent under prairie farm assistance down to 20 per cent under crop insurance is a backward step and that the government should be prepared to assume a larger proportion of the cost than 20 per cent.

We suggest that the federal government's contribution should be increased. We suggest that the federal government should be prepared, in consultation with the provinces, to work out a system of reinsurance so that when there are widespread crop failures there will come out of this reinsurance fund the additional moneys necessary to provide payments and so that they will not have to be put forward, as is the situation now, directly and entirely out of the resources of the provincial governments.

Crop insurance applies to only a fairly small fraction of the farmers in Manitoba. If my information is correct it applies to probably about 2 per cent of the farmers in the province