

The federal government bears the administrative costs of both P.F.A.A. and unemployment insurance. Administrative expenses of P.F.A.A. have never exceeded half a million dollars and were as low as \$186,767 in 1944-45. Unemployment insurance costs, on the other hand, outside of the first year of operation have never been less than \$4½ millions and averaged a little over \$5 millions during the past two years. Per capita costs are also much higher for unemployment insurance than for P.F.A.A. In 1944-45, for example, the cost of administration per insured worker as at April 1, 1944, was approximately \$2.30 while the cost of administration of P.F.A.A. per farm operator in the three Prairie Provinces was approximately 63 cents.

P.F.A.A. Benefits Offer Inadequate Protection

It is frequently asserted that a farmer's cost of living is lower than the industrial worker's, since a farmer produces at least some of his own food. This is more true of the Eastern than the Western farmer, and, in turn of the Western farmer on a small unit in the park belt than of the large specialized wheat farmer of the Palliser Triangle where most crop failures occur. Moreover, a farmer has other expenses which the urban worker does not have. The worker needs only his two hands to earn his living but the farmer must have seed, feed, fodder, gasoline, machinery and equipment before he can earn a cent. If he has no crop, he must obtain money for his production expenses of the next year from some source -- usually either by credit advances or relief in the form of agricultural aid from governments. If P.F.A.A. payments are to take the place of relief, they must provide the farmer with enough to cover his minimum out-of-pocket expenses as well as a minimum subsistence.

Intensive studies made by the Department of Farm Management of the University of Saskatchewan during the period