

ent of PFAA payments in the past, I know they were a help to me, but I think we should now take a new look at what we need in crop insurance.

Insurance is a cost, whether it be crop insurance or income insurance, as the minister from Saskatoon is suggesting in his income stabilization plan. Mr. Speaker, I believe that our farmers over the last two years have not been in a position to afford additional costs. The bulk of the farmers in Saskatchewan have lost money over the past two years and do not want any further costs of operation. At the same time, they need protection against crop failure. Some of them took a chance in not taking out insurance, and paid painfully. We should consider insurance as a cost, and to cover it obviously we need a more adequate income. The difference between the cost of insurance and complete crop failure could be the difference between bankruptcy or ruin and a profitable operation, if the crop failure occurs at an awkward time in a farmer's career. I am thinking of young farmers who might owe a lot of money, and of older farmers who would not have time to recoup.

An insurance scheme for farm production is somewhat similar to unemployment insurance for labour and to other forms of income protection for other groups in society. In Saskatchewan, if the farmers have no money, the merchants have no money; and if the merchants have no money there will be a considerable amount of unemployment. We see this happening at the moment on the Prairies. It is essential that we look after the main industry there and stop some of the crazy fluctuations in farm income. I believe that an adequate form of crop insurance would help do this.

As a final comment, Mr. Speaker, I feel that some change in crop insurance must be considered, some change in stabilization of income, some change in PFAA or, if you will, some change in subsidies to agriculture. I would be quite willing to consider changes, but I am not anxious that we do away with PFAA or any other subsidy until we see how a new form of income protection will work. I do not believe the purpose of the debate on this bill is to discuss all these things, but while I had the opportunity, Mr. Speaker, I wanted to point out that things are not as satisfactory as they could be and that we should be taking a more extended look at the problem in connection with crop insurance and income insurance. We in this party support the principle involved in the bill and hope its passage will make farming more profitable.

Mr. A. C. Cadieu (Meadow Lake): Mr. Speaker, I feel it is quite important that I take part in this discussion. I compliment the government for introducing this amendment; I think it is necessary. Undoubtedly, a number of other amendments must be introduced before crop insurance becomes a good, sound, working vehicle, although I doubt we will ever get it to that level throughout Canada. I realize that areas with different crops and different conditions means that crop insurance applies in different ways. Although I compliment the government for making an effort to come up with a workable plan, I can see that a lot of study still needs to be undertaken.

Crop Insurance Act

When I first started studying crop insurance when it was introduced in Saskatchewan back in 1961, I found out how difficult it would be to work in the area with which I was concerned. It was hard to get the support of the ratepayers behind it. The trouble was largely due to the existence of a great deal of submarginal land. Farmers on that land could not afford crop insurance. To prove my point I invite hon. members to consider the number of crop insurance participants in the northern part of Saskatchewan over the last few years. Their number has been so few that it has meant they have had difficulty paying the premiums. For this reason I do not believe we should scrap PFAA. I realize it is outdated, but fail to see any scheme that would replace it.

• (3:40 p.m.)

Of course, the maximum payment of \$800, considering the present-day cost of operating a farm, is too low. That amount would have to be rectified. I realize that the collection method envisaged is far superior to one under which you have to collect premiums before the farmer puts in his crop. That, of course, would be utterly impossible. These days, \$8 per acre does not go very far toward meeting the operating costs of a farm. Yet before scrapping the PFAA I think the scheme should be examined by the provincial governments and municipalities.

What happened to the Prairie Farm Assistance Act is more or less what happened to the Lift program. Far too much of the money was used in administration. A previous speaker noted that many people obtained assistance under the Prairie Farm Assistance Act who were not entitled to that assistance. Yet, if one looks back at the improvements introduced in respect of the PFAA, one will see that the legislation was made effective almost down to the level of the individual farmer. It was effective at the level of the township and was made effective almost at the level of the individual farmer. I think that more could have been done along that line. I believe a great deal more could be done, through co-operation among provincial governments and municipalities, to improve the concept of crop insurance. I am the last one to throw cold water on the idea. I realize that in many parts of Canada this program will work satisfactorily, especially when it covers root crops and similar crops. It will benefit many farmers of western Canada especially.

Much money is paid out in hail insurance premiums alone, yet hail is only one of the hazards farmers face. There are many other hazards. Besides hail, a farmer might face frost difficulties, drought, flooding, insect damage and many other hazards. This concept began with the Prairie Farm Assistance Act, and so far I do not think we have come up with anything that looks better in the part of the country that concerns me.

I realize that the PFAA provisions are obsolete. We ought to brush up the legislation and give our farmers a better form of insurance coverage. This holds true especially for the farmers in the northern part of Saskatchewan. Let us look at the method of collection. I submit that premiums cannot be collected as cheaply as they can under PFAA. If farmers do not object to the 1 per cent