

Prairie Farm Assistance Act

increase in those categories that are now paid \$3 an acre, that they be increased to \$6 an acre, and it also asks that the awards that are made at the rate of \$2 an acre be increased to \$4 an acre. Obviously all of these are 100 per cent increases. Along with that the motion asks for a 100 per cent increase in the contributions paid by the farmers who sell their grain.

I think that this is consistent; but when the hon. member for Assiniboia comes down to the matter of the maximum number of acres that would be eligible for payment, he is only suggesting a 50 per cent increase, from 400 acres to 600 acres. I think this too is reasonable because basically what the act was designed to do—and I give credit to both governments which administered it—was to make some cash available to farmers in the area that is covered by it, when they are faced with disaster from drought or from loss of crop due to any other reason.

There are one or two things that I do not quite understand with respect to the statements made by the hon. member for Assiniboia. One was this. He suggested that there had been a contribution from the treasury of something like \$260 million over the past 24 years since the act was brought in.

Mr. Argue: What I said, Mr. Speaker, if I remember the total figures, was that the total payments to producers were approximately \$260 million. The farmers' contribution was \$127 million; so that the federal government's contribution would be just over \$130 million. Therefore it was about a 50-50 proposition.

Mr. Olson: I have before me the annual report of the Department of Agriculture for 1962 and on page 56 it says the total payments under the act since it was introduced in 1939, up to March 30, 1962, amounted to \$313 million. The next paragraph says that the 1 per cent levy on grain marketed from 1939 to February 28, 1962, yielded \$129,970,000. I did some calculations, and this leaves approximately \$182 million, which is the difference between the collections and what has been paid out. I agree with the statements that were made earlier, that if you spread this \$182 million over nearly 24 years it is a rather small contribution by the government, when you consider that in many cases it would not even provide enough money to pay the expenses, for the farmer to get his crop in the following year.

To get back to the main part of the motion, Mr. Speaker, I think we should recognize that the awards under this act have not been changed for a long time—I refer to the maximum awards—and at the same time the farmer's costs of production have increased

[Mr. Olson.]

tremendously. For example, in a newspaper article appearing in the *Medicine Hat News* on November 22 I find this:

David L. MacFarlane, professor of agricultural economics at Macdonald College, Ste. Anne de Bellevue, Quebec, says Canada's agriculture industry has fared badly compared with the financial progress in other sectors of the Canadian industry during the post war period.

Writing in *Viewpoint*, a publication put out by the Canadian Credit Men's Association Ltd., Professor MacFarlane says the Canadian farmer is receiving prices which just equal those of 1949 and that while his cash income is more than 20 per cent higher, it buys 15 per cent less.

He says that since 1949 net income of farmers has actually declined by more than 25 per cent measured in current dollars and by almost 50 per cent in real terms.

I think this is justification for the government and all hon. members of this house to reconsider the maximum awards under the *Prairie Farm Assistance Act*. I am pleased to see that this motion calls for a doubling of the contribution by the farmers who are in a position to receive this assistance when it is necessary. I certainly think it is right and proper that they should make a substantial contribution to this program. It has been pointed out that the government does make contributions to unemployment insurance and to many other sectors of the economy, but at the same time they do collect some premiums and I think this is in keeping with that spirit.

The hon. member for Bow River made some suggestions about additional amendments that should be brought forward. He suggested that the awards should be made on an individual basis. I have some correspondence here, Mr. Speaker, that would indicate this is already being done. For example, I have some correspondence from one of my constituents at Scandia, who complained because he had been left out of the awards that were made in that area. Mr. Wallewein writes to me and says:

It seems grossly unfair that because of a human error . . . we should not be allowed assistance when our crop was as poor or poorer than most farmers in the district.

He asks this:

Just exactly what can the purpose of the act be, if an error cannot be rectified?

I am not going to read all this letter, Mr. Speaker, because there are other things in it, although they are related to this question. But the fact is that he was left out. This is the reason given to him by the officials of the *Prairie Farm Assistance Act*. I will read only the second paragraph of the letter:

In this regard we would like you to understand that all awards made in township 15-15-W4th—