ball game. The largest payment under PFAA, some \$54 million in one year, has to be compared with a payment under crop insurance to producers last year of \$289 million.

A very interesting statistic shows that crop insurance today is viable, that revenue has been just in excess of \$1.9 billion and payments made have amounted to \$1.67 billion. So, the crop insurance system is viable; it is in a good state, and I think it is something that is working reasonably well and should be kept in force.

Under PFAA farmers on the prairies contributed 1 per cent of their gross receipts. The government, for all practical purposes, as the statistics show, matched that amount and the farmers received the benefit. Under crop insurance the allocation of the costs is equal between the farmers and the Government of Canada. The farmer pays 50 per cent of the premium, the federal government matches the premium. The provinces make a contribution, they administer the act, and the last figure I have for their cost is some 8 per cent. Thus, the federal government and farmers pay about 46 per cent each and the provincial government pays 8 per cent.

Prairie farm assistance for those of us who were around at that time had the reputation, with its administration, of being something of a Jimmy Gardner political machine. That was the allegation. Well, I do not think he had many Conservatives working for PFAA; I think they were pretty well all Liberals. They did a great job, they were very generous, they were easy to deal with and they liked to give the farmer a break whenever they could. Then the Honourable Alvin Hamilton decided that the provinces should administer the crop insurance.

I think it is a wrong principle when one government pays the money, in an insurance scheme like this at any rate, and hands over the administration to the province which has no responsibility for the program in the sense of paying any part of it.

Senator Doody: It's called confederation!

Senator Argue: Call it what you like, but it leads to provincial political machines. The crop insurance administration in the provinces is not part of the Public Service. The NDP had a political machine in crop insurance in Saskatchewan. When the Conservatives came in they had a tough time dealing with this question and there were some ill feelings; some people were dismissed and new people were hired. At least the public perception now is that it is a Conservative political machine. I guess if somebody wants to get some employment with the crop insurance administration, his chances of getting it would be much greater if he could show support for the Conservative Party than if he supported another party.

In any event, it is a good program, it is of great benefit, but there is a looming danger. The government has decided to cut back on agricultural programs. The government has decided it is "going to have a look at them." The Honourable Erik Nielsen's ministerial task force has published a report. They have been looking at a lot of things, and one of them is crop insurance. The report says:

> Crop insurance offers to agricultural producers a means of purchasing protection against production risks. Crop insurance is currently funded on a tripartite basis by the federal and provincial governments, and by producers via their insurance premiums. While the question remains whether producers should receive *ad hoc* assistance for losses due to natural risks where they could have purchased protection via crop insurance, the federal government reaffirms its commitment to these highly effective programs.

That little titbit in there says that as far as the federal government is concerned there will be no further flood assistance or disaster assistance, as was generously provided by the federal government under the Right Honourable John Turner to northeastern Saskatchewan. As a matter of fact, the former administration provided \$16 million for flood victims, farmers who lost crops in northeastern Saskatchewan, and the new Conservative government, saying they were friends of agriculture, reduced that to \$8 million and the Honourable Erik Nielsen says, "You got it once but you will never get it again." I do not think that is a very constructive attitude for the government to take.

The report goes on:

> At the same time, the federal government will be indicating to the provincial governments that it wishes to renegotiate the cost shares, with a view to a more equitable balance of financial obligations between the three parties.

Instead of looking at crop insurance from the standpoint of negotiating a better system, they are going to look at loading a greater cost on provincial governments and on the farmers.

I have used this occasion, honourable senators, to make some remarks about prairie farm assistance and the winding-up bill. That bill alludes to crop insurance itself. I also wished to say that we in this country have made a great deal of progress in providing crop insurance for farmers, paid for partially by themselves, when they have suffered a loss. I want to say to the government, certainly on behalf of my party and, I believe, also on behalf of farm organizations generally, that we shall resist any drive by the government to reduce the benefits under crop insurance or to add a further cost to farmers during times when they are finding it so difficult to continue their operations. We will vote for the bill. We say to the government to deal with the question of crop insurance and keep on improving it and to resist any drive by the Honourable Erik Nielsen, the Minister of Finance and all others who want to tear down, from a farmer's standpoint, the very important provision of crop insurance.

● (1520)

Motion agreed to and bill read the second time.

The Hon. the Acting Speaker: Honourable senators, when shall this bill be read the third time?

On motion of Senator Balfour, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.