

Senator Kelly dealt with the question of clause 14, but not the other two points. Was that just oversight?

Senator Kelly: Honourable senators, I would need to check the record, but I believe that Senator Barootes responded to the question of audit. However, I do not read anything in Bill C-15 that leaves me with the feeling that the government intends to do other than watch very closely the results of this new legislation and the results of the decisions made by the minister in terms of all of the things about which everyone has expressed concern. I do not get the impression, honourable senators, that there is an intent here merely to put these matters into the lap of the Honourable Sinclair Stevens and let him run with it without anyone else really being concerned. I believe all of those things will take place, and that is about the best answer I can give you at this time.

The Hon. the Speaker *pro tempore*: Is it your pleasure, honourable senators, to adopt the motion?

Senator Frith: On division.

Motion agreed to and bill read second time, on division.

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

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

PRAIRIE FARM ASSISTANCE ACT

BILL TO REPEAL—SECOND READING

On the Order:

Resuming the debate on the motion of the Honourable Senator Balfour, seconded by the Honourable Senator Walker, P.C., for the second reading of the Bill C-41, intituled: "An Act to repeal the Prairie Farm Assistance Act and to amend the Crop Insurance Act in consequence thereof".—(*Honourable Senator Argue, P.C.*)

Hon. Hazen Argue: Honourable senators, the bill before us is certainly a non-controversial bill in the sense that it has the support of all the parties in the House of Commons and I am sure it will receive full support in the Senate. In introducing this bill yesterday, Senator Balfour gave a comprehensive and, I think, a very adequate outline of the moneys involved and the purposes for which they are to be used. As he said, there was something over \$9 million left unused in the PFAA fund when it was phased out and succeeded by crop insurance, and arrangements have been made to have this money used for research purposes to assist agriculture in developing new products of various kinds. This was, of course, one of the initiatives that was taken by the Honourable Eugene Whalen during the tenure of the last government and, at that time, as is the case now, the idea received general support.

This is, I suppose, the final phase and the final wind-up of the old Prairie Farm Assistance Act. That act was brought into operation in 1939 under the auspices of the late Right Honourable J. G. Gardner. Prairie farm assistance served a very useful purpose over many years. Criticisms of that assist-

[Senator Frith.]

ance were many. One was, of course, that it applied only to the prairie provinces, and people from outside the prairie provinces wanted the same protection as the people on the prairies. Although developments made it draw ever closer to being somewhat on an individual basis, it was also on an area basis, and that area base became smaller. There was always the contention that some producers would have crop failures as defined in the act, but could not be paid because they were not in a sufficiently large area. Therefore it was a matter of somewhat rough justice. But it did assist a great many farmers.

Early on in those years, the idea of crop insurance came to the fore, and I remember in my days at the University of Saskatchewan that a very able and brilliant student at that time, R. E. Motherwell, based his master's thesis on a study of crop insurance. I think that was a useful exercise in that it provided a good deal of information for those who wished to go forward with the idea of crop insurance. I might say that the late R. E. Motherwell was the grandson of the former Minister of Agriculture, the Honourable W. R. Motherwell.

A close friend of mine at the university, a man who went on to obtain his doctor's degree, Mr. M. E. Anderson, wrote his doctorate thesis on the PFAA itself, and today that excellent paper contains a wealth of information on the operation of that act. I think these two papers helped establish a theoretical basis from which crop insurance could develop.

● (1510)

The Crop Insurance Act came forward afterwards, and I say, in all fairness, it was introduced by the Honourable Alvin Hamilton; it was made nation-wide, based upon agreements with provincial governments. It has evolved since, and I think it has been of increasing benefit. I have always taken the view that, in so far as it is possible, the farmers in all provinces in Canada should have access to the same kind of crop insurance protection.

The Standing Senate Committee on Agriculture, in 1975, did a study of crop insurance, particularly as it related to western Canada, but also as it related to all parts of Canada, and we made a report which recommended that steps be taken to make the coverage more nearly uniform. If you are dealing with ten provincial governments, you cannot have the coverage identical, obviously. Some provinces would have crops that are of importance to that province but not of importance to other provinces. However, the programs—and I make special reference to the three prairie provinces—are nearly the same, but they are not quite the same. In Saskatchewan, in 1985 winter wheat can be insured. I believe that in Manitoba, in 1985 they are not able to have their winter wheat crop insured, and I would hope that Manitoba would catch up to Saskatchewan in the interests of its producers.

The amounts paid out under prairie farm assistance were very considerable over the years. The total payments were some \$378 million, and the levies the farmers paid amounted to \$201 million, a benefit of about two to one. The largest payment in one year that I have seen during that period of time was some \$54 million. With crop insurance it is another