

the crop stabilization program and will cover a good portion of the estimated \$100 million for this program. Because there will almost certainly have to be an increase of probably 50 per cent in grain handling charges, this may mean farmers will not be much better off than they were last year.

The cash flow of the farmers of western Canada was down considerably in 1969 over previous years, and as the price of meat, particularly hogs, has dropped significantly it seems to me that this is a significant factor. The cash position of the western farmer will become increasingly severe before next fall, and serious cash shortages may develop. I believe that the farm cash situation in respect of the west is not good, and the remedial action taken by this government so far does not seem to be the answer.

Now, Mr. Speaker, I wish to comment on the proposals of the minister in charge of the Wheat Board for a production and grains receipts policy for the western grains industry. Almost all farmers whom I have queried about this matter have complained of the lack of detail and information necessary to carry out a value judgment, particularly as it relates to their own situation. Most farmers have good reason to be wary of too much enthusiasm by those who initiate policy and who sometimes have been led astray in their planning. One farmer pointed out that although the barley market was moving and barley is in strong demand, if other governments should increase their subsidy there would be a limit to what Canada could use and at what price barley could be grown. The idea that if there were a loss in a pool in a certain year, to be made up the following year, could present problems and inequalities which could easily upset plans for a more uniform production plan for any type of grain.

The cash stabilization plan may have a place in producers' plans, but until it is known what the premiums will be it is difficult to know whether it will be acceptable or not. Here again, the government intends to sit it out until all the producers' premiums have been exhausted. It makes good headlines to say that the fund will be supported by government, but it would appear that in most cases this support would be in the proportion of one horse and one rabbit. All farmers with whom I have spoken agree that the suggested 3 per cent levy on all crops is too heavy a price and one which would make the plan unacceptable. The pay-out under the proposed stabilization plan would seem to be too global to be practical. It would not be regional or even provincial. The program would not be selective enough, as far as recipients are concerned, to ensure that good value was received for the money spent.

• (3:20 p.m.)

Farmers are worried and concerned. They are uneasy. As individuals, they may find themselves left out in view of all the changes in the rules and regulations that have been made. The resolution passed by the Manitoba pool elevators, that the grain stabilization plan should not be instituted before a thorough study is made, could be prophetic and should be heeded.

Crop Insurance Act

Mr. A. B. Douglas (Assiniboia): Mr. Speaker, I have a few comments to make on Bill C-185. First I would say that I approve of the bill, but I want to take this opportunity to make further comments on the crop insurance plan in general. I have commented on crop insurance and suggested several improvements to it in the last three sessions of Parliament. It seems to me that the federal government could very well pick up more than 25 per cent of the premium cost of this plan, which is presently the case. It should also be remembered, of course, that the federal government and provincial governments share equally the administration costs of this plan.

The report of the task force on agriculture gives a résumé of what has taken place under the Crop Insurance Act since it came into effect in 1960, and it is broken down by provinces. It is interesting to note some of the figures. For instance, at page 392 of the report it is stated that in Prince Edward Island, for every \$1 that the farmers have paid into crop insurance by way of premium in the last nine or ten years—this report was in 1968-69—farmers have collected \$2.28. In Quebec, farmers have collected \$2.34; in Ontario, \$1.41; in Manitoba, 58 cents; in Saskatchewan, the lowest figure of the provinces quoted, 44 cents for every \$1 that they paid in; and in Alberta, 83 cents. Because the federal government pays 25 per cent of the premium cost, farmers should really get back \$1.33 in the long run for every premium dollar they pay. Therefore, the plan in the Prairie provinces is not what it should be, particularly in Saskatchewan.

I have been saying at many of the meetings I have attended in my constituency in the last three or four weeks that crop insurance needs overhauling so that it will become more acceptable to the farmers and will be made available to all farmers in all parts of the Prairies. Instead of becoming more acceptable, farmers are dropping out of crop insurance in Saskatchewan. According to reports, in Canada in 1968 there were 64,376 contracts taken out by farmers under the crop insurance plan. In 1969 this figure dropped to 62,359. In Saskatchewan, during the same period, there were 12,343 contracts in 1968 and in 1969 this figure dropped to 11,637.

With regard to PFAA, I think the hon. member for Dauphin (Mr. Ritchie) should look at the latest report on the Prairie Farm Assistance Act, which gives all the figures with regard to pay in and pay out over the 30 years since it was first established in 1939. These figures show that the total levies paid by farmers in that 30-year period were in the neighbourhood of \$207 million, while the total pay-out to all farmers in the same period was \$383,516,518—almost two to one. This does not mean that the Prairie Farm Assistance Act is satisfactory. It is the opinion of farmers to whom I have talked, and I think this also, that we could very well phase out PFAA and there would be little regret.

I shall point out some of the things that are wrong with PFAA. First of all, the ceiling is \$800 per farm, which is not very much for an average grain farm; it is hardly worth while. Second, it is not done on an individual basis. Under the PFAA regulations, some