

*Prairie Farm Assistance Act*

Moose Jaw (Mr. Neil) go forward. When the Minister of Agriculture (Mr. Whelan) speaks, I hope he will accept the concept of moving this forward and will remember that I deserve a bit of the credit, as I have had to suffer a pretty rough time about this matter and will have to keep pretty quiet as a result of this speech.

**Hon. E. F. Whelan (Minister of Agriculture):** Mr. Speaker, I want first of all to say that we are very interested in the presentation by the hon. member for Moose Jaw (Mr. Neil), a bill to repeal the Prairie Farm Assistance Act and to use the revenues collected for research to the benefit of prairie farmers.

Bill C-245 proposes that funds remaining under the PFAA prairie farm emergency fund should be put into a trust administered by four trustees from the prairie provinces.

If I understand the bill correctly, the trustee's job would be to allocate interest paid on the moneys remaining in the prairie farm emergency fund to individuals or groups to carry out research on cereal grains or oilseeds.

I agree with the intent of the bill. It has the interest of the prairie farmers at heart. I am also happy the bill gives members of the House the opportunity to debate the issue and bring it to public attention.

However, I am sure the hon. member knows we on the government side have not been idle on this issue. A great deal of research and planning has taken place. We are in the process of putting the final touches, as I told him at the time he presented the bill, on a bill to accomplish much the same thing the hon. member's bill would propose and sets out to do. We feel ours may be a little bit better and will do this a little more efficiently, with even greater ultimate returns to the prairie farmers.

Before I talk further about the government's intention in respect of PFAA, I would like to discuss some of the background which directly affects any decision to be made about PFAA funds. Let me say this to the hon. member for Prince Albert (Mr. Hovdebo) who talks about the research budget: I do not have the exact figures with me, but if all other aspects of my department had held the status quo as well as has been the case with research, I would have no complaint about what we are doing in agriculture. The department for which I am responsible this year is spending about \$156 million on research. That is the largest research budget for which any minister has responsibility in the government. When we talk about what we are doing in research, etc., I just hope we are not trying to get across to the people that we are doing nothing.

All other countries in the northern hemisphere are very envious of us for what we have accomplished in research, especially in cereal grain production, and also with the new varieties of canola seeds, commonly called rapeseed.

● (1740)

The Prairie Farm Assistance Act was introduced in 1939 to help prairie farmers when they suffered crop failure. A levy of

1 per cent was deducted when grain was sold to licensed purchasers, and this amount was transferred to a special account called the prairie farm emergency fund. This fund played an important role in helping stabilize the incomes of grain farmers on the prairies for many years. I agree with the hon. member who just spoke that the administration of that fund lent itself to political finagling and political "everything you can think of." As a politician and as one who abhors those kinds of things, I was glad to see crop insurance become a reality. I think the fund did a good job. The intent was good; however, by 1972 crop insurance programs had become available in most parts of western Canada, and collection of levies was discontinued. Crop insurance was made available to all provinces in Canada in 1974.

Since 1974 the federal-provincial crop insurance program has provided farmers with protection against crop losses. I do not think any other country in the world has a crop insurance program like we do. I do not know of any.

In the United States there was a program called the disaster program. The former secretary of agriculture told me that is just what it was, a disaster. The program had all the things in it which should not be in a program designed to provide security for farmers.

How does our crop insurance program work? Farmers pay half the premiums, the federal government pays the other half and the provinces administer them. Since 1974 the federal contribution to crop insurance in the prairie provinces has been about \$375 million. A man out there asked me the other day, "What have you ever done for farmers?" This figure does not include this year. It includes the years up to this year. The figure this year for federal participation will be one of the highest, because there were substantial losses in certain parts of the prairie provinces, especially in Manitoba and Saskatchewan. There were some losses in Alberta also, but prior to this year our outright contribution to crop insurance has been \$375 million since 1974.

When the prairie farm emergency fund was discontinued, a bill was introduced to revoke the PFAA and transfer the money remaining to the western grain stabilization fund. If hon. members will recall, that was the intent at that time. There was much discussion; it was said that there would be no agreement to pass the bill. The debate would have continued, so the bill was allowed to die on the order paper, as was a second bill introduced in 1976.

At present the prairie farm emergency fund—and this is something the hon. member for Moose Jaw should know—is a non-interest-bearing account with a balance of more than \$9 million. This is money the hon. member for Moose Jaw proposes to put into a trust.

Having this money work for prairie farmers through research is the ideal situation because, after all it is the farmers' money. It was money which farmers set aside to provide for income security. In my view there is no more important aspect to future farm stability and prosperity than the increased production potential afforded through research.