

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fourth Session — Thirteenth Legislature
32nd Day

Friday, March 25, 1960

The House met at 2:30 o'clock p.m.
On the Orders of the Day:

NEWSPAPER CORRECTIONS

Hon. Mr. Nollet (Minister of Agriculture): — Mr. Speaker, before the Orders of the Day, I wish to make a correction in an editorial appearing in yesterday's 'Leader-Post' from which I quote: "In running over the list of five grain-driers, three heavy cultivators, one cultivator shovel". I wish to correct this reflection on the Agricultural Machinery Administration. There were seven different manufacturers who supplied cultivator shovels that were tested. And another correction, Mr. Speaker. "The Minister of Agriculture read letters from outside the province, including one from the Minister of Agriculture in Alberta, lauding A.M.A." I did not receive a letter from the Minister of Agriculture in Alberta, but the Minister of Agriculture from Alberta has often spoken to me about A.M.A. in complimentary terms, and suggested that we might set up a combined testing organization. I wish to make these corrections, Mr. Speaker.

Mr. F.E. Foley (Turtleford): — Mr. Speaker, the Minister of Agriculture was reported as saying that the revenue from the farm implement dealers' licence fees was about \$40,000. I now have a return which states that this revenue will be \$46,975 or about \$47,000 in 1959-60.

SECOND READINGS

Bill No. 81 – An Act to amend The South Saskatchewan River Development Commission Act, 1959

Premier Douglas: — The purpose of this Bill is to give to the Commission certain powers to set up the same type of community planning and control around the reservoir as a local governing body would have in a municipality or a planning area. It has long been recognized that, around the reservoir, if we are to prevent the water from being polluted or to prevent very unsatisfactory conditions, there has to be some community planning in that

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area, in conjunction with the local governing authorities. This would give to the Commission some power to do that.

I think the details of the type of community planning that is envisaged can better be discussed in Committee of the Whole, and I would therefore move second reading of Bill No. 81.

The question being put, it was agreed to, and the Bill referred to a Committee of the Whole at the next sitting.

Bill No. 82 – An Act to amend The Family Farm Credit Act, 1959

Premier Douglas: — This actually does not represent any change, but it does provide a clarification in the Family Farm Credit Act. This makes it absolutely clear that the Lieutenant Governor in Council may authorize the Provincial Treasurer to enter into an agreement with the Co-operative Trust Company for the reimbursement of the company against any losses which they may have sustained in loans. This was certainly the intention of the legislation; but the legal people have asked that it be made abundantly clear, and this is an attempt to clarify it. I move second reading of this Bill, Mr. Speaker.

Mr. Foley (Turtleford): — Mr. Speaker, regarding The Farm Family Credit Act and its administration, I have had a number of cases in my area where applications were made and turned down, due to the fact that the applicants were assessed as not having an economic farming unit. This seems to be one of the more common reasons why applications for credit under this Act have been refused. I would like to direct the Premier's attention to this matter, and ask him to comment on his interpretation of an economic farm unit, and what it consists of today. I have known cases where farmers with three-quarter sections of land, with possibly 320 acres under cultivation, have not been able to qualify under the Act, and the reason given was that it did not constitute an economic farm unit. I would just like to have your interpretation, Mr. Premier, on this matter.

Mr. Speaker: — The hon. Minister is about to exercise his right to close the debate. Any member desiring to speak on second reading of this Bill should do so now.

Premier Douglas (Closing): Mr. Speaker, with reference to the question which has been raised by the member for Turtleford, I might remind the House that the legislation which we passed last year narrowed applications down to the two main categories that this legislation was designed to help. First, is where the land is being transferred from one generation to another. Primarily, this is designed to help young farmers take over land which is being vacated by their parents or relatives, or any persons of the previous

generation. It facilitates the transfer of land from one generation to another. Secondly, the purpose of the Act was to enable farmers to acquire an economic unit. That is, the money should be loaned to permit the purchase of land which, added to what they have, would make up an economic unit. The idea was that it would be unwise for the Co-operative Trust Company (and they felt it would be unwise) to make loans to a person who was simply not getting enough land. There would be very little hope of it being a successful operation.

It is not possible in the Act or the regulations, I think, to define what is an economic unit, because this will vary from area to area, depending on the type of farming, the type of crop being produced, whether it is a mixed-farming operation, or purely a grain-farming operation, and so on. But those are the two basic principles upon which the loans are made.

I, too, have had a number of cases drawn to my attention where persons have applied for a loan, and it certainly looked on the surface that the land they had, plus the land they could acquire if they got the loan, would have made an economic unit. I have done, which I suggest my hon. friend should do, and that is refer it back to the Co-operative Trust Company and ask them if they would be kind enough to review and reconsider the application. In some cases, they have reviewed it, and still felt they could not accept it, and in other cases they have accepted it.

Hon. members will understand, of course, that we have no power to interfere. We put up part of the money that is to be loaned out, and we undertake to guarantee the loan; but, in the final analysis, the administration must remain with the Co-operative Trust Company. It is their members' money which they are handling, as well as part of it being Government funds; but they have to have the final decision as to what they consider to be an economic unit which would have a reasonable hope of being able to repay the loan in question.

I have found that they are always glad to review a case. They have an office in Regina and one in Saskatoon, and, if any of the members have a problem, I am sure, if they go in and see Mr. Wagner in Saskatoon, or Mr. Burgess here in Regina, that either one of them would go over the case with you very gladly, and have it re-examined if they think there is any hope in having their decision altered.

The question being put, it was agreed to, and the Bill referred to a Committee of the Whole at the next sitting.

Bill No. 83 – An Act respecting Crop Insurance

Hon. I.C. Nollet (Minister of Agriculture): — Mr. Speaker, in moving second reading of Bill No. 83,

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— an Act respecting Crop Insurance, I should perhaps, first of all, point out to the House the reasons why this legislation could not be introduced at the last Session. I wrote to Mr. Harkness on January 8, 1959, before our Legislature convened here, in which correspondence I asked him whether he could give us some indication as to what the terms of the Federal legislation might be, and as to whether provincial legislation would be required, I asked Mr. Harkness to indicate to us any information that would be available which would enable us to pass any necessary legislation during the last Session. However, he informed me that no information was available, or could be made available until the Federal Government had passed their legislation. The Federal legislation was passed on July 8, 1959, and, as everyone knows, the Manitoba Legislature reconvened after the general elections in that province, and were able to pass the necessary complementary legislation, which provided for the setting up of crop insurance experimental schemes in three designated areas. In this particular regard, the Manitoba legislation differs from our own.

The legislation before the House is drafted within the framework of the federal legislation, and, therefore, it should perhaps give the House some indication of the principal provisions contained in the federal legislation. First of all, I ought to make clear that the federal legislation does not provide for federal crop insurance. The federal legislation makes it possible to enter into agreements with provincial governments under which crop insurance plans can be set up.

The first basic condition laid down by the Federal Government is that an agreement must be entered into with the provincial government, under the legislation. The next basic provision is that the Federal Government will pay 50 per cent of the administration costs. As everyone knows, the administration costs of a crop insurance plan are a relatively small part of the cost of a crop insurance plan. The Federal Government also undertakes to reimburse the Province for the payment of 20 per cent of the premiums. In other words, we must first of all provide the money to pay 20 per cent of the premiums and we get a reimbursement from the Federal Government, based on the amount of premiums actually paid.

The next provision is that, in the event of a loss, the Province is required to put up the initial \$200,000 for indemnity losses where the premiums collected are insufficient to pay for the indemnity losses. The Province puts up the first \$200,000 and then is required to put up 25 per cent of the balance of the losses incurred, after which the Federal Government will loan to the Province 75 per cent of the balance of the loss.

I ought to make clear to the House that this legislation does present some problems to the Province in the matter of liability. The liability and risks involved in crop insurance plans represent the greatest possible financial cost to a government. As a matter of fact, our Federal Minister referred to this as being a “generous” insurance plan. I suggested to him that we would be very glad to reverse our position; that we would take the respons-

ibility of providing 20 per cent of the premium costs and share the administrative costs, provided the national Government would assume responsibility for liability.

I say this, Mr. Speaker, because of this. Our province, as everyone knows, is much more susceptible to variations in farm income because of natural hazards; that is be making a comparison between the variations in farm income in other provinces as compared to Saskatchewan. the variation is twice as great in Saskatchewan, and is chiefly because of climatic hazards that are so pronounced in this province.

I could take another example. For instance, compared to Manitoba, where farmers have paid more into P.F.A.A. than what they have received out of this fund because of crop losses, in Saskatchewan; taking the years 1954 to 1958, the P.F.A.A. paid our \$48 million in losses. In this same period of time, our farmers contributed, through the one per cent levy, \$18 million to the fund. This is an indication of the different climatic circumstances under which agriculture operates in our province.

The other provisions in the Federal legislation are that the crop insurance plan must be actuarially sound. This, of course, implies that the premiums collected over a period of time will pay the loss. There is a problem here, as I endeavoured to indicate, because our crop failure years have a habit of coming in bunches, like bananas. We have had three good crop years in a row in 1951-52-53, and then we had a series of crop failures of which 1954 was one of the worst. Taking 1954, for example, and assuming that such a crop failure year occurred when beginning a crop insurance plan, in the studies made by the Royal Commission, which referred to 24 municipalities alone, the crop insurance liability would have run into the millions of dollars. I think it was some seven or eight millions of dollars of liabilities in that area alone in a year like 1954.

What I am trying to say here, Mr. Speaker, is that we should not anticipate too much from this plan. This plan will be tried out on an experimental basis, and no doubt in time will play an important part in our agricultural economy. I would not want our farm people to believe that this crop insurance plan is a complete panacea for the loss of farm income because of crop failure years. Over a large area, the largest part of the province, I very much doubt if the plan can be applied because the premium rates in all likelihood will be prohibitive. Experience indicates that in other areas – in the United States particularly, where they have extensive experience with crop insurance plans, it indicates that in the poorer crop districts, farmers in such districts are very reluctant to take up crop insurance because of high premium rates. It is usually considered that, when the premium rates get above 10 per cent, farmers are not too greatly interested in insurance. the experience in the United States also indicates that it is only the farmers in the better farm areas, and particularly the larger farmers, who are interested in

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crop insurance. So we will have along ways to go, in my opinion, before we have a kind of crop insurance plan that will be placed within the reach of the farmers of the province. I wish to say a bit more in this connection in a moment or so.

The other provisions of the federal legislation are that a minimum number of farmers are required to make a crop insurance plan effective in an area; that is, 25 per cent of the farmers in an area are required to sign up for crop insurance before such area will be designated as a crop insurance area. Another is that the coverage will not exceed 60 per cent of the long-term average yield in the area; and the next is that the farmers who participate in the crop insurance plan will neither receive or contribute to P.F.A.A. – I should have said neither receive benefits from, nor contribute to, the P.F.A.A. fund.

There are things which crop insurance can do, and there are things which crop insurance cannot do. Certainly crop insurance will not improve farm income. It will not increase farm income. It can, however, stabilize farm income. This is one of the things that can be accomplished, provided the premium costs are within the reach of the farmer, and provided that, in that period of time when premiums accumulate into the fund, no major disaster takes place.

There is some difference between our plan (as I started to say at the beginning of my remarks) and the Manitoba plan, where they have set up three designated experimental areas. One in the low-risk part of the province, and one in the high-risk part of the province, and also one in a moderate-risk part of the province. I noted a press statement attributed to Mr. Hutton, a few weeks ago, in which he indicated that, in the area in the south-west of Manitoba (which is roughly comparative to the south-east of Saskatchewan), the farmers were not inclined to the crop insurance plan. Similarly, in the northwest area of Manitoba, adjacent to the Saskatchewan border in the northeast of our province, there was some reluctance there; but the Minister had hoped that the farmers would go into the plan on an experimental basis.

Our plan provides the application of an insurance plan to any part of the province. An area may come about as a result of a request to the Crop Insurance Board, after which careful surveys will be made, and statistical data will be accumulated, and analyzed with reference to long-term yields and risk, to work out a premium basis. This procedure will apply anywhere in the province. I am rather inclined to think that farmers in the better areas are much more likely to be interested than the farmers in the high-risk parts of the province. Nevertheless, this legislation will provide our farmers an opportunity to give the answer as to whether or not this crop insurance plan is workable. It is an opportunity for the farmers to try it out, and determine themselves its workability.

The farmers of Saskatchewan, I am aware, have looked forward for many years to a crop insurance plan. One of the bright features of the federal legislation is the fact that the Federal Government, at least, has finally accepted the principle of crop insurance. We feel that, after the plan has been tried out, some modification will be made, and a more substantial contribution, particularly on the side of liabilities, will be made by the national Government, similar to what is done under the United States plan, and that eventually we will have a crop insurance plan that will be of benefit to our farm people in terms of stabilizing our farm income in the event of drought.

I have always held to my own particular point of view in regard to crop insurance, Mr. Speaker. I have rather felt that crop insurance is only one aspect of the problem of farm income; that there are many other aspects to farm income. There are so many things that bear on farm income. It is my opinion that, before we can establish an actuarially sound crop insurance plan of any kind, and under which farmers can pay premiums, we must, first of all, put enough money in the farmers' hands price-wise to enable them to put the money up for the premiums required. We are going into this plan under very adverse economic conditions, as everyone knows, and many farmers will be most reluctant to put money into a plan when it is so badly needed for other costs involved in farm operations.

It is my feeling that crop insurance ought to be an integral part of a comprehensive marketing and farm income plan for Canadian agriculture. I don't want to get into that subject very deeply, because it is a very extensive one on which we can spend a great deal of time. I have taken, as usual, very little time in an endeavour to explain very briefly the principles involved in this legislation. I am sure it will evoke considerable discussion. I would hope that it would evoke more comments, at least, than were made in connection with the Estimates, when they went through in profound silence. I don't think it is good. We should have some comment on legislation of this kind. I would have thought, too, that when the Estimates were before the hon. members, some comment would have been forthcoming, at which time we could have discussed the details of the legislation to greater length. However, I am certain that a good deal of discussion will take place in Committee of the Whole, and again with these very few well-chosen remarks, I move second reading of the Bill.

Mr. Alex Cameron (Maple Creek): — Mr. Speaker, I would just like to comment on one or two things which the Minister made as observations, in bringing in this Bill. I listened quite intently to what the Minister had to say. I didn't think his remarks were very brief. The words may have been "well-chosen", but for the life of me I could not assess whether he was for the Bill or against the Bill. I could not assess whether this Bill would do the farmers any good, or whether it might do them some harm. I thought that he went to some length to warn the farmers in advance, that while he is bringing in this legislation, they should not anticipate

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too much from it. I think that is the sentence he used. It seems strange to me that the Minister of Agriculture. . .

Hon. Mr. Nollet: — Mr. Speaker, on a point of privilege, I said it would not be a panacea for all ills.

Mr. Cameron: — I think I copied it down: “. . . shouldn't anticipate too much from the plan” were the words the Minister used. Then he went on to speak about a crop insurance plan not being a ‘panacea for lack of income’ which, of course, everyone understands. As I say in remarking briefly on the Bill, he hopes there will be a good lot of discussion on it. I don't know by that remark whether he means he is hoping for advice, or what, or whether he wants to see the Bill go through, or not. He seems so very, very indifferent about the matter, as much as to say, “Well, the Federal Government, you know, has suggested this and some of the other provinces are doing it. It might not be just so well if we refuse not to bring in the Bill and do something about it.” That seems to be the whole tenor of his speech in introducing this Bill.

Then he chided the Opposition for not asking something about the vote in the Estimates. I would tell the Hon. Minister that the Bill was not before us. We did not know what the plan was, and we are still in the dark as to what the plan is and how vigorously the Minister intends to pursue it. So maybe it is a little unfortunate that the estimates came before the Bill, because now he has the money with which to go ahead, but we don't know whether he intends to pursue it or not. We hope that, at least if not on second reading, when we get into the Committee, he will take the opportunity to clear the air as to whether he thinks this is beneficial to Saskatchewan, or whether he thinks it isn't; or whether he thinks this Legislature was wise in voting that money, or whether he thinks it wasn't; whether he thinks this is just a temporary plan, in the hopes that some years in the future, the Government at Ottawa may come up with a better plan, or it may not.

I have never witnessed a Bill being introduced that was introduced in such a manner of indifference — that take-it-or-leave-it attitude. He does not seem to care whether you have it or whether you don't have it. We have at least availed you of the opportunity to see what you want to do with it! That is the part that amazed me, in the Minister's introduction of the Bill. We are certainly going to discuss the Bill in Committee. We are not going to oppose it (at least I am not), on second reading. We will go through the Bill and see exactly what is in it. I did rise merely to express my astonishment at the method in which the Bill was introduced to the House.

Hon. C.M. Fines (Provincial Treasurer): — Mr. Speaker, before you put the question, I want to say one or two things about the Bill. I don't think that anybody can be too enthusiastic about this Bill. First of all, it is not a type of crop insurance that

we would like to see in Canada. The Federal Government now for a good many years – over 20 years now – have had a crop insurance program in effect, known as the P.F.A.A. program. This has been, to a limited extent, very valuable. It has done a great deal for the farmers of western Canada down through the years. Unfortunately, it has not kept pace with the change in the value of the dollar. We now have a dollar that is worth exactly 48 cents in relation to that of 1939, when P.F.A.A. first started, yet the payments have not increased correspondingly.

I want to say, very frankly, that I think this insurance will be beneficial in some areas; but I am confident, on the other hand, there will be a great many areas in the province where the farmers will not take it, because of the fact they will lose benefits which they get under P.F.A.A. I have in my hand here a map which shows you the results of P.F.A.A. down through the years, and I would point out to my hon. friend who has just taken his seat, for example, that the estimated average award per farmer in his municipality has been some \$4,365. Let me give it to you a different way. From the time P.F.A.A. payments started, from 1939 to 1959, the farmers of Saskatchewan have received \$153 million; they have paid into the fund some \$62 million. In other words, they have received back \$2.50 for every dollar paid into P.F.A.A.

Here we are with the Federal Government coming along with a plan whereby they cannot pay in more than 20 per cent of the payments made by the farmers; yet they have been paying 250 per cent. Well, to me, that proves very clearly that the Federal Government is trying to shirk its responsibility; so how can you support a thing like that enthusiastically?

Mr. Cameron: — It's you that can't support it! Haven't you got the courage to say 'no'?

Hon. Mr. Fines: Mr. Speaker, I am pointing out the weaknesses. I am pointing out that the Federal Government is not accepting the responsibility which I think they should accept, nor are they accepting the responsibility they have had in the past 20 years. Nevertheless, there will be undoubtedly certain areas in the province, where crop failure is practically unknown, where the farmers will be able to contribute a smaller amount and may get back out of this more than they have paid into it. I may say those are very few areas of the province.

I have here a map which shows the province broken down into crop districts. I find, for example, that if you go into the extreme northeast section of the province, up in the Nipawin-Tisdale-Carrot River area, there you will find that the farmers have paid out \$293 and have received a total of \$485. But, on the other hand, if you go down into the extreme south-west of the province, the very opposite corner, down in the maple Creek district, there you will find the farmers have paid out \$510 on the average per farm, and have received \$4,012 or eight times as much. In other words, they have got back eight times as much as they have paid in.

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Mr. Nicholson (Nipawin): — The people of the north are paying for the south.

Hon. Mr. Fines: — In other words, the people of the northeast are contributing more than they got back. The same is true as between provinces. I can understand why Manitoba would be more enthusiastic about this. Manitoba has received in payments altogether only \$14,700,000 compared to our \$153 million, and yet Manitoba has paid into the P.F.A.A., \$16 million. In other words, they have paid in more than they got out; so naturally, a new crop insurance plan would look very good to them.

I would just like to point out to the House that, in passing this Bill, we are passing a Bill which I think may benefit a few areas of the province. It will not benefit the great majority of the farmers of Saskatchewan, nor will the great majority of the farmers be interested in it; they will prefer P.F.A.A. It must be remembered they will have to give up all benefits under P.F.A.A. if they accept this.

I would also point out that this could prove to be a very costly plan for the people generally of the province. In the year 1954, for example, \$21,900,000 benefits were paid to the people of the province. Even last year, 1958—the last year we have figures for – over \$14 million was paid in the limited form of P.F.A.A. payments. With this, with higher payments being made available, the liability which the province is taking on is very considerable, and I think we should keep that in mind when we are discussing the details of the Bill.

I am convinced there will be some people in the province, some limited areas, where they will want this legislation; but it is not the type of thing that will make a very wide appeal. My hon. friend wants to show whether we on the Government side of the House believe the Bill is harmful or beneficial. I would say that, undoubtedly, we feel it is beneficial or we wouldn't be introducing it. On the other hand, we don't think that it is going to cure all ills, as the representatives of our Federal Government would have had us believe it would do.

So, Mr. Speaker, probably my hon. friend will say that I have been on both sides. Frankly, I have, because I can see where there are grave dangers in it. I can see where the Federal Government is trying to get 'off the hook', and where we are being put on the hood; but I can, on the other hand, see where, in certain areas in the north-east part of the province, and in those areas where they have very few crop failures, this could be a very welcome measure.

So the Government is presenting it in the hopes that it will be passed, and I think certainly it is much more than an experimental project. Manitoba has come out very frankly and said theirs was experimental. They have limited it to only three areas of the province; but already, we have made budgetary provision for a premium income of some \$1 million, whereas

the premium income in Manitoba, the most it could possibly be is about one-third of a million. So we are in three times as deeply as the province of Manitoba, if the farmers take it up.

I have reason to believe that in certain areas, the farmers will. I would certainly urge that the House pass this Bill. When we get into Committee, there may be certain changes that hon. members suggest be made in it. We are not tied down to details. We are willing to consider any suggestions for the improvement of the Bill; but one thing, of course, we cannot do and that is to bring in suggestions that are going to result in greater liability on the part of the Government. I might say that already, compared to the Manitoba plan, we are going much farther. this Bill provides for an all-risk insurance. It takes in things, for example, such as insurance due to losses caused by wild life, losses caused by snow, losses caused by lightning. In Manitoba, these things are all excluded; their legislation does not take them into account at all. so that we have a very wide coverage in this, and something which I am sure will be acceptable to the people, particularly in those sure crop areas. I will support the Bill, Mr. Speaker.

Mr. A.L.S. Brown (Bengough): — This question of crop insurance is one in which I have taken a keen interest over the years. As the member for Maple Creek indicated, and I think the Minister of Agriculture will agree, he did not introduce this Bill with too much enthusiasm, because he pointed out the potential weaknesses which are involved in this. I am convinced that I could stand here and put forth an argument which would convince me that I should vote against proceeding with this Bill on second reading. But, Mr. Speaker, in the final analysis, the people who must decide whether this type of legislation is good or bad are the people who are going to use it, and that is the farmers of Saskatchewan. The only way they are going to be given an opportunity to decide whether it is good or whether it is bad, is by us passing this legislation. Therefore, on that basis I can certainly support it on second reading, and putting it in a position where the farmers of this province will have an opportunity to decide themselves whether it is good or bad.

I do wish to point out that this is a complete reversal of the suggestion which was made, and made unanimously, by this Legislature some two or three years ago, in the form of a resolution, by this Legislature some two or three years ago, in the form of a resolution, in which this Assembly asked the Federal Government to inaugurate a national crop insurance scheme with provincial participation in it. This is the exact reverse to this. This is a provincial crop insurance, with national participation in the scheme. I am convinced that, in the future, that is what will be accomplished in the form of crop insurance; that it will and must be on a national basis rather than on a provincial basis.

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If this is one step towards bringing about a national crop insurance scheme, I am willing and anxious to support it, although I realize the weaknesses in it. I also realize the dangers in it, but I am prepared to leave it in the hands of the farmers of this province to decide whether it is good or whether it is bad. Therefore, I shall support second reading of this Bill.

Mr. L.N. Nicholson (Nipawin): — Mr. Speaker, I would like to ask the hon. Minister one question, just for clarification. I understood him to say that, over \$200,000, the Federal Government would supply the money on a loan basis. Am I correct?

Hon. Mr. Nollet: — Mr. Speaker, I shall reply to that question later, when closing the debate.

Mr. D.T. McFarlane (Qu'Appelle-Wolseley): — My remarks will be very brief on this subject, too; but I was very much amazed at both the attitude of the Minister in introducing this Bill, and in the attitude of the Provincial Treasurer. I was hoping that, when the Government was bringing in the Bill, they would bring it in with some enthusiasm in view of the fact that there has been a great deal of publicity in the press over the past months about this particular Bill. I can agree with some of the observations made by the hon. gentlemen opposite; but I think there is one very astonishing thing which has showed itself here, this afternoon, and that is at long last the Government members opposite are beginning to realize that possibly P.F.A.A. was the one Act brought in by the Federal Liberal Government which has been of immeasurable benefit to the people of this province.

I can well recall, during the last three or four years, sitting in this House and hearing P.F.A.A. and P.F.A.A. officials being bitterly attacked on different occasions by members opposite. I think, this afternoon, in order to substantiate some of their best arguments, they have had to use and cite the benefits of the P.F.A.A. as brought down by a Federal Liberal Government.

I would like to point out, Mr. Minister, that there is, I would say, a degree of enthusiasm among the farmers in this province in regard to crop insurance, and any enthusiasm would be more or less along the lines of whether crop insurance would be practical on a provincial scale. Any group of farmers that I have had the occasion to be with at meetings, or in just smaller groups, are reluctant to give up the benefits of P.F.A.A. I think we all realize that, over the years, P.F.A.A. has been extended and has been improved. When P.F.A.A. was first brought into being, it was more or less to provide an insurance against drought; strictly a drought measure. Over the years, it was extended to provide insurance against drought, floods, insects and other such damage. Also, it has not to the present time, been a guarantee against financial disaster by the farmers, or loss of income by the farmers. It has advanced to the point where they would be very reluctant to give up the benefits

of P.F.A.A. even though these benefits are fairly restricted at the present time. It is true they may be improved, and I think possibly, if we were to improve our P.F.A.A. administration, that we could serve the farmers of this province to a better degree than a limited form of crop insurance.

In Manitoba, as I understand it, they have set up three test areas. One area where there is very limited amount of risk involved, another area with medium risk, and another with high risk. I was quite interested to pick up a news release from the Legislative Assembly of Manitoba, where one of the members made the statement that the farmers involved in these three areas were not satisfied that it was going to be too good a measure. In fact, 90 per cent of the farmers involved in these three areas were not in favour of the crop insurance scheme. I have the Manitoba Crop Insurance Bill before me here, and comparing it to the Saskatchewan Bill, I don't see a great deal of difference in the two measures. It is true, in some cases, they will extend it to the landlord, and tenants and in some cases, in Saskatchewan, but over in Manitoba to only those concerned with the land. Your coverage may be different in both Bills, but I think, for all intents and purposes, they would be somewhat similar.

As far as the provincial economy of the three provinces are concerned, I suggest possibly we in Saskatchewan would stand to assume a greater risk than any of the other provinces. If we were ever put in the position that we found ourselves in in the 'thirties, where we had seven to ten crop failures in a row, I would suggest, Mr. Minister, that the provincial economy would not be able to stand legislation of this kind. I think what we should do, in all fairness, to the farm people of this province is not try to hide behind a Bill such as this, trying to lead them down the garden-path, leading them to believe they are going to get something. I suggest we should put the true and honest facts before the farmers. I think if they see that, possibly, provincial-wide coverage is impractical, they won't be too particular about taking it on a province-wide basis. I would suggest, and I think most farm organizations are in favour of, possibly setting up a scheme on a trial basis, starting out with perhaps one or two or three areas. I don't think we would run into too much opposition from farmers on that basis but I would certainly leave the impression with the farmers of Saskatchewan that, if they were going to set it up on that basis, it would be on a restricted area, and on a restricted basis. I would not want to leave the impression that every farmer in the province is going to be involved, because I don't think at the present time we have had enough publicity on it. I don't think the farmers of the province are familiar with what the conditions might be.

It was suggested that we didn't deal with it in estimates, and I would say in all sincerity to the Minister that, had the Bill been brought in before the estimates were brought down, we would have then been in a position to deal with it at that time. I think the same is true of the farmers. After rules and regulations are set up, and a policy set up, I think they will decide

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for themselves what would be best. So I would just like to reiterate and suggest to the Government that the farmers have full particulars of this Bill. Let them know what is intended. Let them know what is expected of them; and I would suggest that the farmers, even in spite of what we can offer them in this regard, would still be very reluctant to give up any of the benefits they have enjoyed over the years under P.F.A.A.

Mr. Herman G. Danielson (Arm River): — Mr. Speaker, I had a few things I intended to say on this Bill. Many things that I did intend to say have already been said, and I am not going to say very much about it. It is a peculiar thing to sit here and watch the Minister and the Provincial Treasurer. This is another of these ‘babies’ that has been left on the C.C.F. doorstep by the Federal Government, and the baby is not wanted. There is one thing clear in this House that this offspring is not wanted by this Government. As a matter of fact, when it was first decided on, the Minister of Agriculture said it was no good, and he would not have anything to do with it. Then the Tory leader in the province of Saskatchewan, Mr. Pederson, attacked him for that statement, that they were undertaking something that is in his mind today — a sort of a grudging consent, with very little hope of success.

Premier Douglas: — Are you in favour of the Bill?

Mr. Danielson: — Yes, before I sit down, I think you might have to answer that question. This is your Bill.

Premier Douglas: — I’ll answer it; as a matter of fact I will give you a chance. There will be a recorded vote right now, any time you want to sit down.

Mr. Cameron: — Sit down!

Mr. Danielson: — Sure, I’ll support it.

Premier Douglas: — You’ve got yourself a recorded vote.

Mr. Cameron: — It’s your Bill, not ours.

Mr. Danielson: — Mr. Speaker, every time I get up to speak, everybody else wants to speak. I have no objection (some of the time) but, after all, it is a peculiar thing that they were not consulted about what the Federal Government was going to put into that Bill. They just drafted up what they thought suited themselves, and then they handed it to you, and said, “Here it is” — like in the case of the Saskatchewan River Dam; exactly the same thing. You don’t need to expect that any Bill coming from Ottawa at the present time is going to hand you anything that you might be glad to get.

The Provincial Treasurer was talking in glowing terms about the P.F.A.A.

Mr. Cameron: — Yes, for a change.

Mr. Danielson: — It did my heart good; but he forgets that it was the Liberal Government — a Government that always puts the interest of the people before anything else.

Opposition Members:— Hear! Hear!

Mr. Danielson: — If he went back and looked at the legislation of the Liberal Government in the Dominion of Canada, where they had the power and the money to do something for the farmers of western Canada, that is a record that neither you nor I, Mr. Speaker, need be ashamed of.

Opposition Members:— Hear! Hear!

Mr. Danielson: — These fellows on the other side of this House should hang their heads in shame, because they were one of the main reasons why that Liberal Government went out of power.

Mr. Loptson: — They even defeated their own candidates.

Mr. Danielson: — That is the reason why we haven't got. . .

Opposition Members: — Their old Tories went Tory again!

Mr. Speaker: — Order! Order!

Mr. Danielson: — They're all Tories — they are Communists; but we will forget about that! Mr. Speaker, we haven't got one person in the House of Commons at Ottawa from Western Canada (and I have said this on more than one occasion in this House) that can stand up and talk about speak his mind against the Government at Ottawa for the interests of western Canada. We just have one man and that is Mr. Argue, and if he talked about 10 per cent of the time than he does now, the people might listen to him; but he talks all the time, and for that reason it is just a voice in the wilderness.

Mr. Loptson: — They're sick and tired of him. He's talking about Africa now!

Mr. Danielson: — I never have to take anything back anyway, of what I say! There is not one occasion in this House in the 26 years that I have been here that I have had to take back anything I said.

Insofar as the Bill itself is concerned, it is an attempt, probably a double attempt, in the Bill. One is to start something in western Canada that will eventually supersede the P.F.A.A. and there may be two

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reasons back of it. I think the Federal Government has made plans, already shown by previous action, that they are not going to engage in any occupation or any effort or any measures which will draw money from the Federal treasury into the grain-growing areas of western Canada. I think you will find that if you look at what has happened in the last few months, and which will be way out now. Here is another thing. the first thing they said in the House was that anyone who goes in for crop insurance cannot expect to get anything out of the P.F.A.A. He will be excluded.

I will say this to the Minister, that while you are laying out these experimental blocks over the province. . .

Premier Douglas: — There are no experimental blocks.

Mr. Danielson: — Well, call it anything you like. You are not going to cover the whole province, are you?

Premier Douglas: — It's open to any municipality.

Mr. Danielson: — Oh, yes, any municipality!

Mr. Loptson: — We don't know what's in the Bill, yet.

Mr. Danielson: — You didn't say anything about the municipality having anything to do with this. Well, the Bill in Manitoba provides for just an experimental plan. I don't know what you call your plan; but it is a definite experiment, and there is no doubt that you can't cover the whole of the province. There will be a few isolated places which, I think, is probably the proper way to try it out. There is no reason in the world why, until you have proven this plan, the farmers going into this during the coming season should not be protected under the P.F.A.A. until it is proven that it is a benefit to them or otherwise.

I don't think a great deal of this western country can ever qualify and pay the price that a crop insurance scheme entails. I know that there is in this country, and even in my own constituency, if you can get the fellow who gets the crop to pay the price for insuring his crop, he'll make a little money too; but he's not going to get it from his crop; he's going to get it out of his insurance. When you go farther in the province, in certain areas, you don't have one township but dozens of townships that will never in the world be able to carry the crop insurance scheme, even if they get part of it from the Dominion Government and you put up some provincial money.

A man who has spent a lifetime in western Canada said to me that other day, that this scheme (we were discussing the crop insurance) is such that the farmers who can pay the price don't need it, and the other fellows can't pay the price, and they can't have it without the price. That is what we are trying to find out. I am not criticizing the Bill. I am going to support it: that will make the Premier feel a little better. I'm going to

support it, and I think all the members on this side of the House will, too. but I want you fellows to say whether you are in favour of the Bill or not. Any man who sits in this House this afternoon and listens to what they say on the other side, except the member for Bengough (Mr. Brown): — he was clear and straight-forward enough; but neither of the two Ministers who have spoken on this Bill would indicate whether or not they are in favour of this Bill. It is a Government Bill, a C.C.F. Government Bill, and they should support it.

Well, Mr. Speaker, I could talk here for a long time, but I will just say I am going to support it.

Hon. J.H. Brockelbank (Minister of Mineral Resources): — Mr. Speaker, the very fact that we talk about crop insurance, and some of the members of this House say that a crop insurance plan cannot be carried by the farmers in this province, is a condemnation of the policies that you have been followed, which have resulted in uneconomic prices for farm products. Every other business expects to have returns in their business which will enable them to carry insurance against the risk, but the farmers, apparently, are not supposed to be able to afford that protection.

Now this Bill is far from what I would like to see, but I would like to point out to the hon. member for Arm River (Mr. Danielson) that, sure there is a difference between the Liberal government that we had in Ottawa and the Conservative government that we have now. The Liberals consulted, and consulted, and consulted, and talked — and did nothing; the conservatives did something, even if it was pretty poor, but we have no choice but to make the best of it. But it was a lot more than the Liberals did in regard to crop insurance.

Mr. Gardiner: — That isn't what the Provincial Treasurer had to say.

Hon. J.H. Brockelbank: — Now, this crop insurance plan could be a very difficult and serious proposition for the province of Saskatchewan; but I am in favour of the Bill because I think it has at least a little value. In my corner of the province, our farmers have paid far more into P.F.A.A. than they have ever got out of it. Under this plan they may be able to be better off. the Prairie Farm Assistance Act has been of very little use to Crop District 8 in the northeast part of this province. Sure, there have been payments made; but they have not taken care of the situation that existed in the area because of the different type of farming, the different costs of farming and the different yields, and because of the grade situation as well. So I cannot do anything else but support this Bill. I hope that we will, in the next few years, get some experience, and that the authorities at Ottawa may be able to see that some improvements are needed and that some time in the future they can be put into effect.

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Mr. Ross A. McCarthy (Cannington): — Mr. Speaker, I hadn't intended to speak on this until the Minister of Mineral Resources (Hon. Mr. Brockelbank) spoke on it. He advanced some arguments that seemed quite far-fetched to me. First I want to say that I think the P.F.A.A., in fact I know, was set up more as a measure to keep the municipalities from paying relief, but it did, at that time, have a certain insurance value. It was never designated as insurance, although there was an insurance feature in it. Actually one of the main reasons for setting it up was that we had come through a long period where municipalities were paying relief and that went back to the Dominion Government and the Provincial Government, and this was set up to alleviate that. The fact that it was put on a limited basis proves that. You could only put so many acres into it, and you were limited; and I think that everyone, if they speak the truth about it, will say that it was a good Act. True, it wasn't perfect. . .

Hon. Mr. Brockelbank: — "A Relief" Act.

Mr. McCarthy: — Certainly, and with an insurance tendency in it. But I was rather amused at the Minister saying that he did not agree with it because he had not collected on it. Well, I thought he was a good Socialist, and, after all, if you insure your buildings and you don't have a fire, you naturally don't collect anything. The fact that the Minister didn't collect in his particular area, I think, shows the soundness of the Act, because it was not set up for people who were growing crops. It was set up for people who did not have crops, and the fact that he did not collect, I think, shows that the Act was sound.

Premier Douglas: — Mr. Speaker, I didn't intend to take part in this discussion, but the hon. member for Arm River (Mr. Danielson) asked if this was a government measure, and if it had the support of the government, and I simply rise to say yes.

The Opposition seem to be greatly perturbed because the Minister and the Provincial Treasurer did not bring this in with a great whoop of enthusiasm and say this was the greatest crop insurance act ever introduced anywhere in the history of Canada. I imagine what they were all ready for, of course, was to find fault with the Act, and when the Minister and the Provincial Treasurer pointed out some of the weaknesses in the whole idea of federal and provincial crop insurance programs, it rather took the steam out of their attack, which was very disappointing, indeed. I don't know what my hon. friends want. Surely, they want the Ministers, in bringing in legislation, to give an honest and frank and realistic appraisal. We owe that to the people of this province.

The P.F.A.A. history and the history of crop insurance in this province is very well known. The member for Cannington (Mr. McCarthy) stated quite correctly that the P.F.A.A. was originally a relief act. It corresponded for the farmers, roughly, to the unemployment insurance legislation for the workers. It was the federal government's way of saying, now we are going to give you certain minimum standards so that when you lose your crop you are like the

worker who is out of a job and we will step in and help you if you make some contribution. I was in the Federal House when this legislation was passed. I know the grounds for introducing it. We have always supported that legislation, but we have said that as the years have passed there was a great need to revise it and to change its ultimate purpose. Instead of it merely being a relief act, that it could have been made the foundation upon which to build a crop insurance program. We could have put this country off into areas, in some areas raised the percentage levy; we could have covered all forms of crop failure, including hail; we could have varied the premium which people would pay according to the crop risk records, and we could have raised the amount of money which they got. At the present moment it is largely a relief measure, particularly as dollars have less purchasing power and the amount of money which you get is of less assistance to a man who has a crop failure. the thing is, it is badly in need of re-organization. No one ever takes credit from the Liberal government for bringing it in. All I regret is that they left office after nearly 20 years of having it in operation without revising it to the changing situation and the changing conditions.

Mr. Danielson: — It was revised three times.

Premier Douglas: — It was revised only in terms of the blocks that could be taken into consideration, but the one per cent levy stayed the same, the total amount continued to be totally inadequate to constitute what would be a proper crop insurance program. But the idea was fundamentally sound and that is a national scheme that you would collect out of the crop you got, rather than having to pay a premium irrespective of whether you had a crop or not. That principle was sound and upon that we could have built a proper crop insurance plan. That wasn't done. When the present government came into office in Ottawa, they went around telling people that they were introducing a crop insurance program which they had taken from the report of the Royal Commission on Agriculture and Rural Life in Saskatchewan, which, of course, is a complete misstatement of the facts. . .

Mr. Danielson: — You're proud of it.

Premier Douglas: —The fact is that it is not true. The Royal Commission on Agriculture and Rural Life, if anyone takes the trouble to read the Report, shows that what they recommended was a national crop insurance program with the provinces contributing. Not with provincial plans with the federal government contributing. Not with provincial plans with the federal government contributing. There is all the world of difference when you come to consider who will assume the contingent liability.

The Federal Government has come along and proffered this to the provinces. My hon. friends think we either ought to say no, or we ought to whoop with joy. We have done neither. We have said to the people, here is a situation we must frankly face. I mentioned this in the Speech from the Throne debate, in a very large part of the province, since the requirement is that they must leave P.F.A.A., neither contribute to it or get benefits from it, then those people in the southern part of the province would be much

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better to stay where they are. In my own constituency, certainly if farmers ask me what I think they should do, I would say all the records would indicate that you are better off under P.F.A.A. But, on the other hand, there are areas of the province where it is beneficial for them to come in under this crop insurance because, until the P.F.A.A. has graduated its payments, has the crop insurance principle worked into it, there are districts where, if you take the one per cent levy, particularly in the bush country where you get small acreage with very high amount of crop, you pay a big levy for a very small coverage, relatively speaking, but in those areas one per cent levy on their crop, plus their hail insurance premium, will together be more than what it would cost them to pay crop insurance payments where the payments are in the neighbourhood of 10, or even 12 per cent. Anything under 10 per cent is certainly an advantage to them under this plan. This is something they will have to decide. It seems to me that it is not up to the Government to tell people you should come into this plan, or you should not. This plan is open to anybody. It is not an experimental basis; we are not designating this area, and saying these farmers can come in, but these farmers can't. Any farmer, any municipality, where 25 per cent of them want to come into this plan, can do so. But when they apply, they will be given all the information. It will be pointed out to them what their records are under P.F.A.A., and what their payment will have to be under this plan, and in some cases, for every dollar they put into this plan, they will be getting \$1.40 back and under P.F.A.A. for every dollar they put in, they got \$2.50 back. It won't take them long in those areas to decide that they don't want this plan, but there are other areas, as I have already pointed out, because of the hail insurance feature, it will be an advantage for them to come in.

I think the member for Bengough summed up what seemed to me to be a sensible attitude. Here is something which the Federal Government has offered, and the Provincial Government and this Legislature has no right to prevent people from taking advantage of it, if they want to do so. The only people who can come in under this plan are the people who want to. None will make them come in and no one will coax them to come in, but if they want to come in and leave the benefits of P.F.A.A. to take advantage of this program, I think they should have a right to do so. I certainly shall support this measure, and it is supported by the Government, who are presenting it for that purpose.

Mr. J.W. Gardiner (Melville): — I feel, before the Minister speaks and before the vote is taken, I should say a few words because of some of the statements that have been made by the members across the way. I think, first of all, I would like to congratulate the member for Bengough (Mr. Brown) for his stand in this particular matter, which is quite different from the stand which has been taken on so many issues in this House by members across the way, when he stated that he thought the individual should have a right to say whether or not he was going to go into a crop insurance plan.

Premier Douglas: — Supposing he gets under P.F.A.A.?

Mr. Gardiner: — Well, I wouldn't say, Mr. Speaker, because the members across the way, including the Premier, have been rising on every occasion when the Opposition have asked for the people of this province to have an opportunity to say whether they should belong to certain insurance schemes, whether they should change the basic form of the government system in this province, and member after member across the way has stood up and refused to give the people of this province a right to say how they should handle their own welfare. So I am glad to hear the member for Bengough accept the proposition that, at least in this case, farmers should have the right to decide for themselves whether or not they are going to accept crop insurance.

Hon. Mr. Fines: — May I ask the hon. member one question on this point?

Mr. Gardiner: — No, you can sit down. You've made your speech.

Hon. Mr. Fines: — I just want to ask about unemployment insurance. . .

Mr. Gardiner: — No, sit down. I didn't interrupt you when you were speaking.

Premier Douglas: — That's right. If you can't answer questions, don't allow them. You learned in a good school.

Mr. Gardiner: — The speakers across the way have on the one hand praised the P.F.A.A., as did the Provincial Treasurer, and others criticized it. I think we should remember that, at the beginning, we were very fortunate. If it had been up to the members of the Opposition in the House of Commons, we would never have had a P.F.A.A. act, because the members of all the parties in opposition opposed the Throne Speech and, to use the argument of my friends across the way, to use the argument which they used when the Throne Speech was brought in this year, I think I am being quite fair in stating that they opposed the P.F.A.A. legislation in the House of Commons back in 1940 when it was brought into being.

Mr. Cameron: — Hear! Hear!

Mr. Gardiner: — I would suggest to the Premier as well, that he knows when the Minister brought the Bill in, he stated to the House that they had prepared a crop insurance to present to the House, but they had definitely been made to understand that there were provinces that were prepared to fight the question of crop insurance if it was brought in by the Federal Government, and in order to provide protection and benefits to the farmers of western Canada at the time when it was desperately needed, following the drought, the Federal Government was prepared to put into effect a measure which would give some form of assistance – not a crop insurance scheme, because at that time it was not legally possible to have a crop insurance of a type the Government would desire to have.

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Premier Douglas: — Oh, nonsense!

Mr. Gardiner: — The Premier across the way knows, today, that that is one reason we have this type of Act before us, because certain provinces in Canada might decide to oppose the legislation. . .

Premier Douglas: — Which one?

Mr. Gardiner: — . . . it took years before the Act would go into effect.

Premier Douglas: — On a point of privilege, Mr. Speaker.

Mr. Gardiner: — What is your point of privilege?

Mr. Speaker: — Order! Order!

Premier Douglas: — Mr. Speaker, the reflection has been made here that there are provinces in this country which have refused to grant and agree to constitutional amendments for crop insurance. The hon. member ought not to cast that reflection on any provinces unless he is prepared to name them. There are no such provinces to my knowledge, and I doubt if there are any to his knowledge!

Mr. Gardiner: — That is no point of privilege, and I never cast that reflection, or made that statement. The Premier knows very well that it is contrary to the constitution, and it could involve a long period of litigation before the courts of this country if crop insurance by the Federal Government alone was brought into effect.

And so in 1940, a Federal Liberal Government did put into effect an Act which the Provincial Treasurer of this province today has praised as one of the greatest benefits to the farmers of this province that has ever been realized, down through the years.

Hon. Mr. Fines: — Mr. Speaker, I must ask the hon. gentleman to withdraw that. I made no such a statement that this was one of the greatest benefits ever inflicted upon the people.

Mr. Speaker: — The hon. member will withdraw that.

Mr. Gardiner: — Well, I'll withdraw it; but I think that I can say that was the impression I received.

Hon. Mr. Fines: — I can't help the impressions you get.

Mr. Gardiner: — That was the only reference I was making to it. . .

Premier Douglas: — You probably heard it said at home.

Mr. Gardiner: — It was the impression I got from the statements made by the Provincial Treasurer when he praised the P.F.A.A. act. Then his friend across the way got up and tried to correct the statement, and tried to point out that, after all, it was not such a great thing; and, of course, my friend here from Cannington (Mr. McCarthy) pointed out that usually you buy insurance actually with the hope that you are never going to use it, but that if you have to use it, then you have some protection. That's the reason people buy insurance — not for the fact that they are going to realize a benefit from it. Every year; not that they hope they are going to meet with an accident every single year, and be able to claim something from it because they have paid into it. They hope and hope that they will never have to collect. It doesn't matter what type of insurance they buy.

So I am quite certain that there will be people throughout the three prairie provinces who have never received a cent from the P.F.A.A. legislation, and they are quite happy that they have never had to collect, and quite happy to have been in a position where they could help out, to some extent, their neighbours who found themselves in the position that they had to apply and collect under that legislation.

I am going to say here, this afternoon, that I agree with my friends across the way when they state there isn't a sufficient contribution suggested by the Federal Government towards this crop insurance legislation. I can agree with them a hundred per cent on that particular statement. I feel that they definitely have an objection that should be raised by all the people of western Canada, and that the Federal Government should make a larger contribution, particularly in the light of the fact that any areas that undertake crop insurance in this province, or Manitoba or Alberta, will have to release the Federal Government from its responsibilities under P.F.A.A. legislation. I think we are quite within our rights in western Canada to ask for a larger contribution to crop insurance.

So, when the speakers across the way in one voice say that the farmer has an individual right to crop insurance, and then they place in it that he has to get 25 per cent of his friends in his own area — and it isn't too clear here as to what area will be accepted or whether any areas will be accepted; but I would like to suggest to the Minister that one of the reasons I didn't raise any objection on the estimates was that we didn't even discuss it. After looking at the Bill, I am quite certain he won't be spending any of his estimates in the coming year, and so, of course, if the money isn't going to be spent, there wouldn't be too much logic in asking much about it, after reading the Bill, because unless he has had, like he has had with his water and sewage program, a group of inspectors running around the province trying to get farmers interested in this scheme as he did with some of the other schemes he has brought before the Legislature this Session, I am quite certain he will never have it in the position where he will find 25 per cent of the farmers in the municipality that will be able to go through with the terms of the Act, in order to qualify for insurance in the coming crop year.

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So I am quite certain that the money that has been voted will never be spent, and that is one logical reason for not spending a great deal of time on estimates in discussing the money that was voted for this particular purpose, when one reads the Bill.

I am quite certain that we all hope this crop insurance measure that is being presented today may, if we can persuade the Federal authorities in the next few years to pay a larger share of the total cost of the crop insurance scheme, in the future bring some benefit to the farm people of this province, and realize the time when the farmers may feel that they are suitably protected in a proper manner from disasters that might befall them. I am quite certain that there is no one in this Legislature, no one in western Canada, who would oppose any such measure of crop insurance; but I am quite certain, again, that we should with one voice seek greater assistance from the Federal treasury, a larger proportionate share, and I am quite sure I can assure the Minister that, as far as I am concerned, and as far as the members on this side of the House are concerned, he will have as long as he is there (which I hope will not be too long) our concerted support for any request he might make for a larger contribution under crop insurance from the Federal treasury.

Hon. J.T. Douglas (Minister of Highways): — I had not intended to take part in this debate, Mr. Speaker, because, as far as my part of the province is concerned, we will not be too interested in this Bill; but I do want to refute the statement made across the way that this is an attempt on the part of the Government to ‘lead the farmers down the garden path’. Certainly no attempt was made to do so in this Bill. I also wonder sometimes whether or not we are debating this Bill or the P.F.A.A.

Premier Douglas: — They are trying to justify the Liberal record.

Hon. Mr. Douglas: — I wish I had a document which I read to this House one year ago. I would like to do it again, particularly after the statement made by the member for Melville (Mr. Gardiner) when he insinuated that the Minister of Agriculture would have a host of inspectors on the road. I believe I read this list before – a list of P.F.A.A. inspectors who took part in the Humboldt by-election. I am sorry I haven’t got a list of the names, or I could again put them on the record. I assure him that that type of thing will not be done by this Government.

Mr. Gardiner: — Mr. Speaker, I don’t often rise on a point of privilege, but the statement I made was one reason why the money would not be spent, was because he did not have any inspectors on the road under this legislation.

Hon. Mr. Douglas: — I just want to remind this House that there will be none of that kind of thing carried on by this Government. We never have in the past, and we are not going to in the future.

I would also like to remind the member for Melville that sections of this province have not benefited under P.F.A.A., and I am not blaming P.F.A.A. too much for that, because that is one of the reasons this Bill should be brought down so that those people can have some protection from the type of adversity which affects them. It is often not the crop yields, the need for this Bill in certain areas of the province; but I doubt very much that the area of the province which I represent will take advantage of it, as they will be better off under P.F.A.A., even though it has its very limited use.

Mr. Gardiner: — Are you going to support the Bill?

Hon. Mr. Douglas: — I am certainly going to support the Bill.

Mr. Speaker: — I must warn hon. members that the Minister is about to close the debate.

Hon. I.C. Nollet (Closing): Mr. Speaker, I was a bit amazed as I listened to the debate from the hon. members opposite, as most of them supported me in my contention that we should not 'lead the farmers down the garden path'. The hon. member for Maple Creek (Mr. Cameron) wanted to make a good deal of fuss over our alleged lack of enthusiasm. I should have come in like Sir Galahad on a charger, I suppose. Well, Mr. Speaker, in light of the Federal legislation, I couldn't play that role.

The hon. member for Arm River (Mr. Danielson) raised a point that I did not mention, and that is the fact that the provinces were not consulted on this legislation. The provincial ministers have met in annual conference for a number of years. We met prior to the time, or approximately at the time, when the new Government came into power at Ottawa. We discussed crop insurance, and we were unanimous on the point that this was a matter that we ought to take up with the Federal Government, and, at that time, we made our presentation regarding crop insurance. We asked the Federal Government to call a conference and if anything was done in this line or in regard to agriculture generally, that the provinces be consulted. We were not consulted in this regard whatever, and I do believe that had we been consulted, perhaps we would have had much better legislation than the existing legislation.

I want to make it very clear that under the present legislation, the best that it can possibly do is to provide crop insurance to people in more favourable parts of this province or in Manitoba. In that respect, it can serve some useful purpose even as it is, provided the crop insurance area has very favourable production records. It could do; but even then it would have limitations and would require improvement. Our position right along has been that an improved crop insurance plan along these lines, perhaps with the National Government assuming greater liability, would provide an alternative to people in the northern part of the province, particularly the more favourable parts of the province, who have contributed to P.F.A.A. over the years without receiving benefits; would give them an alternative scheme that they could enter into, and would relieve those objections.

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Those objections were particularly pronounced in the province of Manitoba, because the farmers there had paid in more to P.F.A.A. than they received out of the fund. It was principally for that reason, I think, that the legislation is designed, as it is, to take care of the more favourable areas.

The hon. member for Cannington (Mr. McCarthy) says that the farmers in the northeast ought to be pleased, because the fact that they haven't received a payment is a credit to the scheme. It is not a credit to the scheme, Mr. Speaker. This is the one thing that has done more than anything else to create an unfavourable reception to P.F.A.A. in these areas where they don't receive the benefits; so this scheme could offer some alternative. We hope that, eventually, as a result of the experience gained by farmers who choose to enter into this scheme; an improved scheme will emerge for those parts of the province where agricultural conditions are more favourable and a complementary expanded P.F.A.A. program on an individual farm basis in the high rich areas. That is what we are hoping for, so that, in the high-risk areas, the farmers would be protected and insulated through an improved P.F.A.A. program.

I was quite amazed at the hon. member for Melville (Mr. Gardiner) in again raising the same objections that were raised by the Right Hon. former Minister of Agriculture when in Ottawa as Minister. He always told the provincial ministers: "We haven't any constitutional powers to bring in crop insurance, because it's a provincial matter." He would never even consult us, or even think about it at all. When the new Government came in at least they removed this 'bogey', and the one benefit at least that has emerged is that the Federal Government did pass legislation that would permit provinces to establish crop insurance schemes, and my friend the hon. former Minister of Agriculture always said it could not be done constitutionally. He hid behind the constitution, as the Liberal party did on this issue, for 20 or 25 years. Now, at least, that 'bogey' has been removed.

Premier Douglas: — They asked the provinces for a constitutional amendment, for unemployment insurance.

Hon. Mr. Nollet: — Oh yes, they could have made amendments, if they were necessary.

Certainly we could not be enthusiastic over this scheme as a scheme that could be generally applied over the province. The reasons are very obvious and I think I would be remiss in my obligations to this House, and to the people if I didn't point out the fact. As the hon. member for Wolseley (Mr. McFarlane) said, we should be very frank, and I think we ought to be. Therefore, the alarm expressed by the Provincial Treasurer is very real, and I think we have very real objections to this federal scheme.

The Federal Government is trying to get out of its obligations under P.F.A.A. if it can do so by this method. For example, it is note worthy that, even though P.F.A.A. payments are payable only if yields in a large area fall below certain prescribed levels, rather than on an individual farm basis, and even though P.F.A.A. maximum payments to farmers have been traditionally limited to \$500, recently raised to \$800 (mark that down, I don't think it was our Liberal friends who raised it), and losses sustained in individual years have been extremely heavy. For example, payments made with respect to the 1954 crop in Saskatchewan totalled over \$22 million in P.F.A.A. payments. As a matter of fact, the net annual contribution by the Federal Government to the province of Saskatchewan, since the inception of P.F.A.A. program, has averaged \$4.6 million annually. In order for the Federal Government to contribute \$4.6 under the present federal insurance plan by way of the 20 per cent premium contribution, the province would have to insure crop liabilities up to an amount of \$230 million. It is very obvious to anyone that is an amount of risk that no province, let alone the province of Saskatchewan, could undertake.

The legislation under discussion is for the specific purpose of providing an opportunity for farmers anywhere in Saskatchewan to work out a scheme and go into a scheme if they so desire. Out of all this experience will emerge, I believe, an improved crop insurance plan. Certainly neither, Mr. Harkness nor anyone else will be able to argue, after farmers by experience have proved that the scheme is not workable in certain areas, that improvements are necessary if greater possibilities in other more favourable areas of the province are to be had. I believe as a result we will eventually have in Saskatchewan a combination of improved crop insurance plan for the more favourable areas, and an improved P.F.A.A. program in the higher risk areas of Saskatchewan. This is what we would like to see, and anticipate, Mr. Speaker.

I have one more reply to make. I see the hon. member for Nipawin (Mr. Nicholson) is out of his seat; but he asked me about the \$200,000 payment. In years of crop loss when there is sufficient money collected in premiums to pay the loss, the first payment made is \$200,000 by the province, then the Province is responsibility for 25 per cent of the balance of the loss, but can obtain a loan of 75 per cent from the Federal Government to take care of any further losses beyond the 25 per cent for which the Province is expected to pay cash. But whether we pay the 25 per cent cash or the \$200,000 cash if the liabilities are paid from a loan, it could still jeopardize the credit position of the Province.

Hon. Mr. Walker: — We are still responsible for the other 75 per cent.

Hon. Mr. Nollet: — Oh yes, we are responsible for the repayment; and I say it could jeopardize the credit position of the Province if any extensive liabilities took place.

So, out of this legislation, as I said at the outset, at least the national government has accepted in principle that it is not unconstitutional to provide legislation that would permit the Provinces to enter into agreements with the Federal Government in a crop insurance scheme.

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As I mentioned at the outset, since this constitutional bogey has been removed, and as a result of the experience gained, we will probably have. . .

Mr. Gardiner: — On a point of privilege, Mr. Speaker. The Minister keeps referring to the statement that I made with regard to the constitutionality. My statement was that it was unconstitutional for the Federal Government to put in a scheme of its own. This is only enabling legislation, and the Province could have done it, even without this particular legislation, on their own. This is just legislation enabling the Federal Government to assist the province.

Premier Douglas: — Oh, no!

Mr. Gardiner: — It certainly is!

Premier Douglas: — A display of ignorance!

Hon. Mr. Nollet: — That really wasn't a point of privilege at all, Mr. Speaker. It doesn't make any difference at all. At least the National Government has put legislation on the statute books under which an agreement can be made with the provinces, and the terms of the agreement can be altered, and I hope over the years, they will be changed so that the National Government will assume a much greater responsibility particularly in the field of liability, and that the outcome of this will be some security and stabilization of farm income in this province in crop failure years.

The question being put, it was agreed to on the following recorded vote:

YEAS

Douglas (Weyburn)	Erb	Harrop
Brown (Bengough)	Hemming	Thiessen
McIntosh	Johnson	Batten (Mrs.)
Brockelbank	Thurston	McCarthy
Fines	Thibault	Danielson
Walker	Stone	Loptson
Lloyd	Willis (Elrose)	Coderre
Nollet	Kramer	Gardiner
Cooper (Mrs.)	Berezowsky\	McFarlane
Gibson	Neibrandt	Foley
Sturdy	Davies	Klein
Brown (Last Mountain)	Meakes	Weber
Howe	Wood	Elias
Douglas (Rosetown)	Thorson	

NAYS

Nil

The Bill, accordingly, was read the second time, and referred to a Committee of the Whole at the next sitting.

The Assembly then adjourned at 5:30 o'clock p.m.