

*Crop Insurance Act*

outside my scope. I hope that some of my colleagues who are closer to that kind of operation will comment on it. There is one thing that I should like to take the opportunity of saying about this bill and about the program now being considered by the House. This program will lack effectiveness in a major part of the wheat growing area of Saskatchewan and, indeed, throughout the prairie region. The figures published in the annual report of the Minister for the fiscal year 1968-69 under the Crop Insurance Act show this very clearly. I am surprised that the government has not given more consideration to improving the act, so that it might provide more effective coverage.

According to the report, the number of farmers covered in the relevant period in Saskatchewan was 12,343. Although I do not have exact figures, I think that that number represents about one sixth of the number of operating farmers in that province. We must surely ask ourselves, as must the government, why it is that a crop insurance program which has been in force as long as this one is only serving that small number of farmers in that province of western Canada which contains the largest agricultural area west of the Great Lakes. If the government does not know, then, perhaps in a general way, I can tell them. One of the major reasons stems from the basis on which crop yields are established. The basis on which a farmer must take out crop insurance is the basis of his previous yields. In going back over the period of previous yields, the yield average that is established is so low that it is of no advantage to the farmer to insure with respect to that level of yield. In other words, the program establishes a level of yield on which the insurance shall be based that is so low as to be tantamount to or very close to the yield in a crop failure. That is the real reason crop insurance has not been as effective as it might have been in the prairie regions, and in Saskatchewan in particular.

I have attended meetings held under the auspices of municipalities at which farmers examined very carefully this whole program on an actuarial basis and decided that they could not avail themselves of the program. Indeed, most of west central Saskatchewan is excluded from the plan. The provincial government has not brought a great deal of west central Saskatchewan into this program; neither has it taken steps to bringing that area. I do not particularly lay the blame at the door of the province alone; I lay it at the door of the provincial and federal governments, those who are administering the plan and those whose responsibility it is to make the plan an effective instrument for the farmers of western Canada and, indeed, of all Canada.

Again, if you look at the figures, you will see a large and continuing increase in coverage in some areas, but not in other areas. We must ask ourselves why that is so. We must assume that farmers in one area are as anxious to obtain crop insurance protection as farmers of another area. I therefore urge the minister, and I am saying this to his Parliamentary Secretary in his absence, to take the necessary steps to undertake an investigation in order that this may become an effective insurance program benefiting the majority of farmers.

[Mr. Gleave.]

• (12:30 p.m.)

I wish to now deal with the proposals of the task force on agriculture. Hopefully, the government will not accept these proposals. However, they deserve comment. In part, they provide some guidance. The task force recommends that an independent body be appointed by the National Agriculture Advisory Council, which does not as yet exist, to evaluate the actuarial structure of the crop insurance program in Canada and to make the results of such an evaluation known annually at the proposed national conference outlined elsewhere in this report.

I do not know whether there is a need for an annual review. Perhaps there is. The task force thought there was a need. There is certainly need for a review of this program by competent people. The majority of these people should be from farm organizations and provincial bodies. They should assess the total program as it is affecting farmers. The task force recommended:

In 1975 a Federal-provincial committee should appoint an independent body to make a comprehensive evaluation of the effectiveness and efficiency of the crop insurance program and, in particular, to recommend on whether or not the current subsidy should be continued.

Apparently the task force was as concerned about the subsidy as anything else. It is significant that two of the recommendations of the task force placed emphasis on an evaluation of this program to determine how well it was working. I will not go into the body of the report because there is not time. However, this should indicate to the government that this program should be carefully evaluated. The task force also recommended:

The immediate discontinuance of the PFAA program.

I do not think that the PFAA program should be discontinued until there is an effective replacement. We should not seriously consider discontinuing the PFAA program because the crop insurance program is not an effective instrument to replace it. It is not workable in much of the area where crop insurance is required.

In Saskatchewan, crop insurance is used in the area with the highest yields and the best crop production record. It is not used in areas where the greatest crop variations occur from year to year. I do not believe it would be possible to discontinue the PFAA program at this time. I quote another recommendation of the task force:

The equivalent of the annual subsidy paid to the PFAA program by the Federal Government should be allocated to the financing of the Prairie Grain Price Stabilization Program.

In this recommendation, I feel that the task force is confusing apples with oranges. The PFAA program is a very rough and ready crop insurance program. The wheat stabilization program, as outlined by the minister responsible for the wheat board, is an income stabilization program, not a crop insurance program. Similarly, a crop insurance program is not a full income stabilization program. I mention this because these recommendations were made by the task force. I hope the government will ignore this particular recommendation. The PFAA pro-