

Crop Insurance Act

increase, perhaps there will be available to them better insurance coverage and better compensation in the event of crop failure. I think the government should not hesitate to consider these matters.

I realize that of necessity many amendments must be introduced to the crop insurance plan in order to make it a workable program throughout Canada. Nevertheless, I hope the government will take a good look at the Prairie Farm Assistance Act and make it a more workable vehicle. I believe that is possible. That also would give the farmer insurance against many forms of pests. The compensation paid in the event of total crop failure should be much larger than the present maximum of \$800 under the act. Despite its shortcomings, we should not condemn it too hastily. It has served a great and useful purpose down through the years. In these days of skyrocketing farm costs, perhaps it is not quite so useful. The maximum amount of compensation a farmer can receive should be revised. I am all for taking a good look at the PFIA before throwing it completely out of the window.

I do not wish to throw cold water on the idea of crop insurance, because I think that in many parts of Canada it will work. Having looked at some statistics, I have noted that the cost of administration in Saskatchewan in the period 1968-69 was \$172,015, while premiums paid were only \$559,837. If one looks at these figures, one will realize that crop insurance is not the only vehicle that will work in my part of the country.

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I should like to take part in this debate and say that the party I represent supports the extension of coverage outlined in this bill. Not many farmers of the province of British Columbia participate in the crop insurance program. I notice that we are distinguished by having almost the smallest number of contracts, 876 to be exact, and by being burdened by far the highest administrative costs. That factor is probably inversely related to the small percentage of farmers who take out contracts in British Columbia. We must, therefore, look for the reasons why more people are not taking advantage of the program.

I am sure that anyone who has lived, as I have, in two principal agricultural areas of British Columbia, the Okanagan and the riding I represent, Fraser Valley, knows full well that there have been very difficult periods for farmers during the past 25 years. Despite these difficult years during the past quarter century, it seems odd that so few farmers—only 876—in British Columbia have taken advantage of this scheme. Something must lurk behind that small figure. Perhaps we should examine some of these factors. It is not because there have been no agricultural disasters during that time. There was, of course, the 1948 flood which inundated the Fraser Valley. In the Okanagan a freeze of the fruit crop occurred in 1949, 1950, 1955, 1965 and 1969. Three years ago in my riding we saw a particularly severe kill in the strawberry fields and plantations.

We therefore support the extended kind of coverage which the two clauses central to this amending legislation provide. Crop insurance is a device, as is marketing legislation, on the part of legislators to take some of the risk out of that particularly risky business known as

agriculture. Those who have sat in this House for the past three years have heard members who represent farming communities emphasize how hazardous and often unrewarding that business really is. I should, therefore, like to note, as set out in the 1969-70 annual report which relates to the Crop Insurance Act and is submitted by the minister, that 1969 was a particularly hazardous year in British Columbia. I read that the indemnities for 1968, expressed as a percentage of the coverage, were 13.22 per cent, while the figure for 1969 reached the whopping level of 42.61 per cent.

• (3:50 p.m.)

This increase in pay-out is due largely to problems in the grain industries in British Columbia's Peace River area and the Okanagan fruit crop damage of that year. We can see that such large pay-outs make substantial inroads into the stabilization fund which, incidentally, was established in British Columbia in 1967 with the sum of \$5 million. Because of a pay-out of almost \$500,000 in 1969, the fund contains approximately \$4.75 million today. Therefore, the fund is down somewhat. That is not unusual. The report emphasizes that this has been the case in most areas. It is more pronounced, however, in some other parts of Canada.

In my constituency the strawberry crop suffers the greatest hazard. Strawberries have suffered some severe years, depending on the nature of the winter. It is notable that the large growers are the ones most likely to take advantage of crop insurance. The smaller growers, in contrast, those who need the crop insurance most, do not have this coverage. They are not able to take advantage of the protection that this legislation provides, perhaps because they are operating on marginal financial levels. The premium cost of roughly 7 per cent of their coverage is perhaps close to their normal profit margin. While they vitally need protection, they cannot afford the premiums. I think the hon. member for Battleford-Kindersley (Mr. Thomson) referred to this situation in connection with the grain industry. A similar anomaly prevails in my constituency.

Commodities such as strawberries and other small, soft fruits and vegetables are not planted in large enough acreages in various parts of Canada and they are grown in widely separated regions. Some can only be grown, in the temperate parts of Canada such as the Niagara Peninsula, the Annapolis Valley in Nova Scotia and portions of British Columbia. As the act is administered by individual provinces, the acreages provide too small a base if each commodity is considered separately province by province.

The British Columbia Federation of Agriculture recommended to the task force on agriculture that certain commodities should be considered nationally for the purpose of crop insurance. A larger base would thus be provided. There would be lower administrative costs, and greater stability in the industry would result, because disasters do not usually occur in all regions of Canada in one year. As a result, the premiums could be lower. Those people who need it most might then be encouraged to buy the crop insurance at lower premiums. I hope the minister will consider and accept this suggestion.

[Mr. Cadieu.]