

Crop Insurance Act

because he is more and more dependent upon it in respect of the costs involved in purchasing the items needed for implementation of his production program.

[English]

The purpose of this bill is to amend the Crop Insurance Act to provide for contributions to insurance programs which will cover losses of preplanting costs. On occasion, due to wet weather or other similar conditions, farmers are unable to plant a crop which they intended to plant and in which they have already made investments, such as preparation of the land, the purchase of plants, and the application of fertilizer. As the crop insurance program is expanded to a greater variety of crops, this type of problem becomes more important. Such losses could include investments made both in the previous fall as well as prior to seeding in the spring.

Both Ontario and Manitoba have indicated that they would like to be able to offer insurance against this type of loss.

[Translation]

In the past, the losses mentioned previously were covered to some extent, for instance, in the case of fallows which remained unsown because of excessive rain. These special provisions with respect to fallows will be extended and integrated into the new sections of the act.

There naturally will be conditions to be met by the insured who will undertake to sign a permanent and valid insurance contract since the hazards to be covered are liable to occur beyond the growing period.

This provision is seen as a new step of ever increasing importance with regard to the protection of the capital invested by the farmer for crop purposes.

[English]

Mr. H. W. Danforth (Kent-Essex): At the outset, I should like very much indeed to compliment the Parliamentary Secretary to Minister of Agriculture (Mr. Lessard), on his presentation this morning and the manner in which the detail of this legislation was given to us. I wish to compliment him because it is a tremendous responsibility that has been delegated to him by his minister. However, I feel that it is unfortunate indeed, on a measure of this importance dealing with the entire agricultural industry, that the minister himself was not able to be present in the House.

Crop insurance is becoming ever more serious and of ever greater interest to the farmers across this nation. Experiences in the past have proven that the reimbursement for the drastic losses suffered by farmers every year in various regions cannot be obtained through representation directly to their municipal, provincial or federal governments. In my own particular area in south-western Ontario, we suffered a very severe hardship as a result of weather over a year ago. Although representatives of the various governments visited the area and saw at first hand the tremendous losses of crops and money suffered by the farmers in the area, some of whom have not yet recovered and will take years to recover, and although at that time assurances were given that financial aid would be immediately sent to reimburse them,

[Mr. Lessard (Lac-Saint-Jean).]

farmers have learned from bitter experience that when it comes to receiving cash for their losses it is almost impossible to obtain it by grants or loans. So, they are turning ever more to the sound business practice of insuring their crops in order to have a legal claim when they have suffered grievously in circumstances over which they have no control.

I am very delighted indeed to see that the government is proposing this amendment in Bill C-185 to the Crop Insurance Act because I think that had this particular provision been in it at the time, the farmers in our area and others who suffered grievous losses could have recouped at least their initial expenditures on the crops that were destroyed. This is what the government should be trying to do. It should make it possible for farmers, when such conditions arise, to recover their losses, and not be placed in a precarious economic position. However, there are some difficulties with legislation such as we have before us.

● (12:10 p.m.)

One of the difficulties is that it is a joint effort between provincial and federal administrations. We have different applications of the measure in each of the provinces. It is at the prerogative of the provinces whether they wish to participate in it or not. There is joint responsibility with the federal government. In such matters, it is always difficult to act immediately to change apparent weaknesses.

Another thing which complicates a measure such as this is the fact that Canada is made up of a series of regions whose crops and crop conditions vary greatly from coast to coast. Thus, it is difficult to get an all-encompassing piece of legislation which will provide insurance with respect to all the agricultural commodities involved. This is the reason there has been some delay in changing the act, and why there has been a rather go slow attitude in trying to bring other crops under the umbrella of protection that is provided.

We have specialized crops in my particular area of Ontario. The same is true in British Columbia, in the prairies, in the Maritimes and also in Quebec. There are local areas specializing in certain agribusiness, and means will have to be found to provide insurance for their crops. Even if such crops are now covered the producers find that the premiums they must pay are so high that it is almost impossible for them to take advantage of the legislation.

We should look at the measure in the light of the in-put expenses now faced by farmers, expenses which are ever increasing, and which are at a level never contemplated years ago. If many farmers ten years ago had any idea of the actual in-put costs with which they would be faced in the 1970's, they would have gone out of the agricultural business, retrieved as much of their capital as possible, and put it into investments that would give them a greater return on their money. The fact that only 64,000 farmers out of approximately 400,000 to 500,000 have taken advantage of crop insurance gives some idea of the magnitude of the problem, and of the necessity of making the legislation more encompassing.