[*Translation*]

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, before we start detailed consideration of Bill C-185 and the amendments it is to make to the Crop Insurance Act, I feel it would be useful to briefly summarize the background of that act, emphasizing its objectives and its achievements to date.

The original Crop Insurance Act, enacted in 1959, provided for government financial assistance to provincial crop insurance programs, provided they met certain standards.

Initially, the criteria were that guaranteed protection remained below 60 per cent of the average long-term production for the crop insured, in the particular region, with total premiums adequate to justify the program from the actuarial point of view. In the case of programs conforming to such criteria, the federal government paid 50 per cent of the costs to the province of the administration of the premiums, plus an amount equal to 20 per cent of paid premiums. The act also enabled the federal government to make loans to the provinces for those years when benefits greatly exceeded premiums and reserves. A deduction of $200,000 was provided in this instance.

In 1964, the act was amended in order to enable the federal government to re-insure provincial plans, in addition to the loans to which I have just referred. In this connection, the province pays a premium to the federal government and, in return, the latter assumes 75 per cent of the losses incurred by the province.

Again, the act was amended in 1966. This time the purpose was to extend its application in order to insure perennial plants and fruit trees, and also summer-fallowed land which could not be seeded because of climatic conditions. But even more important probably was the better protection that provinces may provide, since it was increased from 60 per cent, as it was in the beginning, to 80 per cent, as well as the 5 per cent increase of the federal contribution, which was raised from 20 to 25 per cent of total premiums paid.

So, the act guarantees presently to the provinces offering a crop insurance program deemed sound by actuaries, and covering losses up to 80 per cent or less, federal assistance amounting to 50 per cent of the administration costs, plus a contribution equal to 25 per cent of total premiums paid. The expenditures of the Department of Agriculture for crop insurance now amount to five million dollars yearly. Estimates show that this figure will increase to approximately seven and a half million dollars within the next three years.

[*English*]

Let me turn for a moment to the current status of the program. How have the farmers of Canada received this program? How has it worked? At the present time, eight of the ten provinces have active programs covering crops such as potatoes, wheat, oats, barley, mixed grains, grain corn, forage, silage, tobacco, soya beans, white beans, flax, rapeseed, yellow mustard seed, sugar beets, apples, peaches, pears, apricots, prunes, plums, cherries, grapes, strawberries, raspberries, cranberries, logan berries, blue berries, strawberry plants, grape vines and fruit trees.

With the exception of last year when coverage was aected by the Lift program, the total numbers of farmers involved in the program across Canada and the amount of coverage provided has increased significantly each year. In 1968-69 some 64,376 farmers purchased crop insurance coverage totalling just under $175 million.

Mr. Speaker: Order, please. I do not like to interrupt the hon. member, but I must bring to the attention of hon. members who are obviously having interesting conversations that it is difficult for some of us to follow the Parliamentary Secretary's speech.

Mr. Lessard (Lac-Saint-Jean): Premiums paid that year amounted to over $13 million, and indemnities paid out were in excess of $15 million. The actuarial soundness of the program to date is probably best demonstrated by the fact that from the time the program commenced up until the end of last year, the loss ratio was .97; that is, for every dollar that was paid into the program, whether by farmers, by the federal government or in some cases by provincial governments, 97 cents was paid out to farmers in indemnities.

During the current year the program within the province of Prince Edward Island was used by 216 farmers who took out $602,000 coverage. In Nova Scotia some 340 farmers took out just over $800,000 coverage. In Quebec, 12,000 farmers took out $29 million coverage. In Ontario the figures were approximately 4,200 farmers with a coverage of just over $9 million. In Manitoba, which was the first province to introduce the program, some 14,200 farmers had $27 million worth of coverage. In Saskatchewan, 9,000 farmers had $16 million coverage. In Alberta, just under 13,000 farmers had $32 million coverage, and in British Columbia, 810 farmers had just under $8 million coverage. Since this program has been started, indemnities paid to farmers have totalled $47 million.

[*Translation*]

Mr. Speaker, in enacting this legislation, the federal government recognizes the importance of social and economic benefits deriving from farm income stability. Although it deals with only one aspect of farm revenues, it is likely the one that causes the most inequities between the operations and the damages in particular cases, namely heavy crop losses caused by meteorological conditions and other unfavourable circumstances such as, for example, damages caused by insects, wild animals or birds. Income stability is an economic advantage not only for the farmer himself but also for all those who deal with him and for his fellow-citizens. Even if farm research and progressive technology have largely contributed to the solution of problems occasioned by diseases and other factors that have a bearing on yields, inevitable and unforeseen disasters will continue to hit farm revenues with the same frequency as in the past. Therefore, an all-encompassing insurance program, easy to apply, is of increasing importance for the farmer