

Crop Insurance Act

farmers who should not be paid are paid, and in other cases farmers who should be paid are left out because of the block basis upon which claims are adjusted.

Mention was made of the stabilization plan and how crop insurance might fit into it. In my discussions of the grain income stabilization proposal in recent weeks, I have found a great deal of concern about the involvement of crop insurance with this proposal. Suggestions have been made, and I think they are valid, that crop insurance receipts should be treated as grain income for purposes of this plan if it becomes effective, because that is really what crop insurance payments are, a substitute for grain income. Of course, they would have to be not only eligible for the benefits but also subject to whatever deductions there might be, hopefully, less than 3 per cent, which may eventually be applied in this proposal.

However, before this can be done equitably, crop insurance has to be made available to farmers in all parts of the Prairies as well as in all parts of Canada, and it must be made available on terms at which the farmers will buy it. At present, they cannot afford to buy it because the premiums are too high for the coverage that is given. That is so in Saskatchewan, at least, as indicated by the figures in the task force report. Therefore, I suggest to the minister that he should contact people in the various provinces, especially in those where there is not complete coverage, negotiate with them and try to persuade them to provide, as quickly as possible, full coverage for all areas in their provinces so that all farmers may have an opportunity to participate. This is a very real concern.

In recent days I have been talking about the stabilization plan because I believe there should be subsidies, including crop insurance benefits, as grain income for purposes of a stabilization plan, otherwise farmers in many parts of the Prairies who are subject to recurrent crop failure could very well find themselves, after two or three crop years, with little or no basis upon which to collect stabilization payments. I say again that I support this bill, and I hope the Minister of Agriculture (Mr. Olson) and the government will ensure that crop insurance is improved in all parts of Canada, particularly in the Prairies. I hope the minister will hold consultations with his provincial counterparts in order to attain this goal.

Mr. Ritchie: Mr. Speaker, may I ask the hon. member a question? Would he not agree that the pay-out of PFAA, the very excessive intake over output, has in the past 30 years been confined to the last two or three years, and that had there not been PFAA another method of government support would have been necessary?

Mr. Douglas (Assiniboia): In reply to that question, I would suggest that in the last 30 years the pay-out has been greater than the take-in. The figures are to be found in the last two pages of the annual report. If the hon. member had read the annual report he would not have to ask me this question.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, a number of members of this House have contributed

[Mr. Douglas (Assiniboia).]

adequately to the debate on this bill, but I want to add a few ideas based on my experience with various forms of crop insurance as a practical farmer in the province of Saskatchewan and, more particularly, in the west central part of that province where for some time grain growing has been the principal industry.

I believe that in our area of Saskatchewan the PFAA has in the past served a beneficial purpose, but at present there is a considerable feeling among farmers that this act is out of date and we should have a different approach to crop insurance. I was in a farmers' study group a few years ago which discussed crop insurance, what it would cost us and how it would benefit us as individual producers. We considered the 1 per cent which we contributed to PFAA, and what we paid out in hail insurance. Then we considered what we received in the way of income from these various sources, and decided there should be a more adequate form of crop insurance to cover additional emergency situations.

• (3:30 p.m.)

It would be of advantage to us if there were insurance covering such situations. I am thinking specifically of hazards such as frost and grasshopper damage. We discovered that we were already paying a great deal of money to hail insurance companies but that we did not get a dime back unless our farms were hailed, and we could go a number of years without that happening. But, Mr. Speaker, it must be remembered that a hailstorm can wipe out a crop in 15 minutes and we cannot afford to be without some form of protection in this respect. In effect, I am suggesting a comprehensive plan adequate to cover all forms of crop disaster, which would be cheaper than the plan we have at the moment. At that time we wanted to go into crop insurance but found that the Saskatchewan government was dragging its feet. It did not want to expand crop insurance to western Saskatchewan. At that time it did not have its maps ready and it did not seem to be in a big hurry to get them ready so that we could participate. I am sure we would look at this matter again if we had a chance.

There is another problem with regard to PFAA in some parts of Saskatchewan. I am thinking more of the Melfort-Tisdale area which produces big crops, where the farmers contribute the 1 per cent levy but when harvest comes they may lose a 40-bushel crop because of wetness, snow, etc. Consequently, they are more interested in a complete form of coverage.

I would like to talk just briefly about changes in farming methods which have increased crop yields in many parts of the country, changes in better cropping procedures, in better grains, in the use of fertilizer, as a result of which the old maxima allowed under PFAA are no longer valid. I think the hon. member for Assiniboia (Mr. Douglas) and others have already made this point. I want to emphasize it because it is certainly true. It is now quite easy, even in a dry year, to get a 12-bushel crop. But we have to remember that our costs have risen considerably and that the \$800 maximum payment does not have much relevance to the costs of production and cropping. At one time it did have relevance. As a recipi-