

The Address—Mr. Jorgenson

crop failure. As a matter of fact this government, on the basis of those reports and requests from the provinces, undertook to bear half the costs of the provincial governments of Manitoba and Saskatchewan which were attempting to meet the situation. The fact that does emerge as a result of this experience is that the western crop showed an unexpected ability to withstand drought. Many crops thought to be dead did, in fact, recover.

Hon. members may perhaps wonder what has changed. It is, in fact, a mark of credit to science and to the farmer himself. Our plant breeders have provided us with better crop varieties; farms are better equipped, and the timeliness of operation is improved. Selective weed killers have provided control of certain varieties of weeds and so reduced weed competition for moisture in the growing crop. Crop experience in 1958 does imply that we are not likely to go back to the yield experience of past years. I do not suggest that we shall maintain the phenomenal production of the early 1950's, but given the same conditions we can now raise more grain on a given number of acres than we could even a decade ago.

Our ability to raise more grain on the same number of acres spreads the production costs over more bushels and reduces the variability of yield. It does not, however, justify the contention by many that it compensates for the rise in costs. I am sure most hon. members will agree that running faster just to stay in the same place can be pretty frustrating. What it does mean, in effect, is this: reducing the variability of yield gives rise to the belief that a national crop insurance program, long thought to be out of reach of the farmer financially, is now well within the realm of possibility.

But let me be clear on this point: the belief that we should offset rising costs by increased productivity alone will result in far greater surpluses than we have at present. The hard fact is that in western Canada we depend largely on export markets for the sale of our grain. In those markets we must be competitive. If we are priced out of them by rising costs, the western economy, and, as a result, the Canadian economy will suffer. Experience has shown that Canada still depends in a large measure on western agriculture for her economic well-being. Up until now, farmers have borne the brunt of increased wages and higher profits of labour and industry. This situation can no longer be tolerated. My appeal to the Canadian people as a whole is not to place the farmers in this country in an impossible position.

[Mr. Jorgenson.]

This does not mean, however, that all farmers are operating on a sound economic basis. The economic division of the Department of Agriculture separated out the commercial farms in Canada on the basis of the 1956 census, dividing the commercial farms from the others on the basis of the ability of a farm to produce \$1,200 for its operator in the course of a typical year. Few of us would feel \$1,200 to be a large annual income, and I would point out that this figure represents total production—the cost of production must be found within the \$1,200. But the department found that only 21.6 per cent of the farms in Newfoundland qualified as commercial farms in 1956 under this definition; 38.5 per cent in Nova Scotia; 40.8 per cent in New Brunswick; 53.4 per cent in British Columbia; 72 per cent in Quebec; and up to 95.6 per cent in Saskatchewan.

I would be very interested in knowing the ranges of gross income of the farmers in my riding. I do know that many of them require the further consideration of this government to become classed as commercial farms. Certainly these figures reveal very clearly that Canada has many farmers who gravely require credit which will enable them to convert their present operations to a really economic basis. In all parts of Canada this is the real and pressing need. I am satisfied that it will be a source of great gratification to all farmers and farm organizations that this government has moved promptly and adequately in this direction through the provision of a comprehensive farm credit policy.

The same must be said of crop insurance. This is a technique for permitting a farmer to spread his risks over a long period of years so that he should not be prostrated by one bad crop but can replace periodic grave losses by regular premiums. It will allow farm income to be more predictable and will make possible the elimination of the periodic production crises that, particularly in the west, have plagued our farming industry.

These are policies, furthermore, which have the great merit of bearing some relationship to the trends in Canadian farm production and food consumption. We cannot worsen the position of the livestock producer in the west relative to that of the grain producer, and it is unrealistic to fly in the face of the food preferences of Canada and of our customers. The per capita consumption of cereal grains in Canada in 1957 was only three quarters—75.6 per cent—of the 1935-39 average consumption. The comparable figure for fruit was 159.4 per cent; for vegetables, 122.8