

gram should not be discontinued until we have an adequate crop insurance program. The government has no right to use that levy for any other purpose.

It has already been mentioned that those responsible for the crop insurance program should investigate the input costs and increased costs of production. When this program was introduced there was a much lower level of fertilizers, chemicals and other aids being used by farmers. This has caused increased costs and increased yields. If a crop insurance program is to be effective, it must take into account the rapidly changing technology in agriculture. If the costs and yields are affected, then the basis for a crop insurance program is affected. The program is based on yield return. In order to estimate the pay-out, we must consider the farmers cost of production. If this is to be an effective instrument in disaster areas, we must pay out enough money to cover the cost of production so that the farmer can carry on the next year. Surely, that is the purpose of the program. However, this aspect is not being given consideration.

Instead of considering the average yield for the past 10 years, we would get a better picture if we considered the actual yields in west central and central Saskatchewan. I suggest that those responsible should examine the studies made by Mr. Craddock recently with regard to cereal production in western Canada. I was surprised to read his conclusions with regard to yields compared with what we assumed were the yields in that area. This is fundamental to a crop insurance program.

These are the main points I wanted to make, Mr. Speaker. I repeat that the proposal to make the PFAA program part of the income stabilization program should be avoided. The income stabilization program, as outlined, has some serious shortcomings. I will not deal with the matter at great length because there will probably be an opportunity to do so in the future. My main reason for speaking was the task force report. Since the government is apparently implementing some major parts of the recommendations of the task force, I wish to issue a warning with regard to proposals of this report as they affect crop insurance. The problems that would occur with the stabilization program should not bring into disrepute the practice of a deduction opportunity in certain areas in order to facilitate a crop insurance program. Indeed, I have wondered why those who administer this program have not tried to integrate it with PFAA deductions and the acreage insurance program. Perhaps this has not been done because it is not possible, actuarially, to do so. I have no way of knowing. But I have wondered why no attempt has been made, particularly in grain-growing regions, to work these two programs together and make an effective program which would serve, say, 90 per cent of the farmers, or at least all those who want a viable crop insurance program, as many do.

• (12:40 p.m.)

It really does not make much sense in this region to pay out hundred of dollars a year for hail insurance, for example, when hail is only one of the risks to be faced.

### *Crop Insurance Act*

The ordinary operating farmer really has no other crop insurance. It is true he is paying into PFAA which may come along with a maximum of \$800 should he encounter trouble—a sum which is of no practical value at all to a man farming over 1,000 acres. Yet, we are limping along with a second rate approach of this kind. The farmer pays into PFAA at the rate of 1 per cent of the total value of the grain he sends to the elevator. Maybe he buys hail insurance. The cost of this would vary with the cover, but on 1,000 acres it would probably cost between 60 cents and a dollar an acre. PFAA will not pay enough money to be significant in the case of large operations such as we have in Saskatchewan. True, a farmer may carry hail insurance, but there are other risks such as frost, drought or a late harvest which can greatly reduce the value of a crop. So, farmers are paying out on two fronts, yet they do not have adequate crop insurance against the risks they ordinarily encounter. I have mentioned only a few of these risks. Where the crop is rape seed, insect pests can destroy it in whole or in part. Some of our crops can be substantially damaged by rust. Against all these major risks, we are protecting only some 12,000 farmers in the province of Saskatchewan.

The minister brings down a bill which is concerned about land coming under flood. Very fine. I do not know what proportion of our land comes under flood in Saskatchewan, Manitoba or Alberta, what fraction of one per cent it is. But it is proper to be concerned about it. I am saying to the minister that it is about time he got together with responsible people in the prairie provinces to work out an effective crop insurance program, put it in the form of a bill and bring it before the House so that it could be properly debated. Then, proper crop insurance could be made available to the majority of farmers in western Canada.

### *[Translation]*

**Mr. Léonel Beaudoin (Richmond):** Mr. Speaker, I should like to make a few comments on the bill now before us, an Act to amend the Crop Insurance Act.

I should perhaps at this stage quote a few passages from the bill, and in particular paragraph (b) of subsection (1):

(b) loss arising when the seeding or planting of a crop is prevented by excess ground moisture, weather or other agricultural hazards.

These changes would increase the extra coverage now offered under the Crop Insurance Act by extending it to the loss incurred when excess ground moisture, weather or other agricultural hazards prevent the seeding or planting of a crop.

I wish first to emphasize that the crop insurance plan is an excellent initiative from the federal government. I think that this insurance program has greatly helped and will continue to assist farmers who were victims of bad weather which can totally or partly ruin their crop. Perhaps this is not sure since this bill as it was and is today covers only 80 per cent of a potential or insured loss, of the independent factor of production and sales possibilities of the cultivated product.