

Government Orders

ment with the provinces picking up the administrative costs. Even with this arrangement, the costs were such that farmers were reluctant to buy crop insurance in my province. With the new arrangements, the producer continues to pay 50 per cent of the premiums with the other 50 per cent divided equally between the province and the federal government. The administration costs would also be shared between the federal and provincial governments.

This new arrangement will increase the cost to the Prince Edward Island taxpayer by at least \$500,000. This the province cannot afford to pay. It will definitely be a hardship for our small number of taxpayers.

I was happy to hear the minister say last week, in response to the member for Algoma who has been doing yeoman work with this legislation, that he is prepared to work out a timeframe in the new sharing formula with P.E.I. This is good news and should result in a reduced cost for Prince Edward Island in the short term, but the end result will be the same. In a few years the crop insurance program will cost Prince Edward Island taxpayers in excess of \$500,000, which they cannot afford. The net result will be that the new program will be used less than the old one.

The federal government is saying, "Pay now and see what the benefits will be later". Well, the farmers are not willing to do that, nor would anyone else in similar circumstances. This was proven in the changes made to the Advance Payment for Crops Act. The federal government off-loaded again. As a result, no Prince Edward Island farmer is using the provisions under the act. There was absolutely no one available to administer the act in Prince Edward Island and the farmers saw absolutely no advantage for them to use it.

Crop insurance is vital to farmers. It means that if a disaster strikes they will not be wiped out, they can retrieve their costs. But if it is going to be cost prohibitive to join the program, farmers will take their chances and will not buy insurance.

It has been proven in the United States, our friendly neighbour to the south, that unless premiums are affordable and coverage substantial, farmers will take their chances with the weather rather than with the insurance program. Farmers will not take out coverage which, in

the end, will see no improvement in their position, whether they take out insurance or not.

Since we, as a nation, cannot afford to see any more farmers going into bankruptcy, it is incumbent upon governments to enhance programs like crop insurance and not just simply to increase costs. The tragedy now being played out in Saskatchewan can happen in other areas of Canada, more so now and in the future because of the environmental instability due to the greenhouse effect, ozone deficiencies and the normal natural weather patterns. I hope the government will continue to be generous to Saskatchewan farmers and will enhance programs for other Canadian farmers rather than make it more difficult for farming to be a prosperous and vital industry.

We have no need to fear American trade action if we are supportive of our own farmers, at least no more than we do now. It is becoming obvious to us that the Americans subsidize agriculture as much or more than we do. It is a matter of semantics as to whether agriculture is being top-loaded or bottom-loaded. The United States is not prepared to allow its farmers to be abandoned to market forces, and neither should we. We should make that claim to the Americans.

There is no reason to dive headlong into a subsidy cutting exercise in order to please the Americans. The Americans will never be satisfied as long as they cannot compete against producers from other countries. If they cannot compete, they believe we are cheating. They believe we must be getting something free, we must be getting some assistance from our government.

As long as we have no common understanding of what a subsidy is, the free trade agreement, as far as agriculture is concerned, is a farce.

To conclude, the minister says the legislation is in provincial jurisdiction. Yet he is changing the program without the consent of the ten provinces. He only has the consent of seven. The act says clearly that mutual consent or five-years advance notice is required if changes are made in the act. This did not happen. New Brunswick, P.E.I. and B.C. have not given their support. In addition, the government changed the spirit of the old act when it changed the requirement that Ottawa obtain the consent of the provinces to a provision which requires Ottawa to simply consult with the provinces.