

Government Orders

amendment proposes increasing compensation to 80 per cent of the value of crops damaged at no cost to the producer. This provision will give producers a reasonable return on their crops and at the same time it will support Canada's international commitment to protect North American migratory water fowl.

I think it is very important that we have lived up to two obligations here. We have assisted the producers who have experienced damage from waterfowl and migratory birds. Many of us with rural ridings can relate to that problem. In some areas there is always damage by waterfowl. Also I want to point out that this cost is born equally by the federal and provincial governments with absolutely no cost to the producers. These four groups of amendments are improving the method for calculating compensation; providing a more equitable cost-sharing formula; strengthening the regulations; and adding provisions covering new and experimental crops and damage done by waterfowl. These are the major improvements to the Crop Insurance Act. But the new legislation also addresses other very important issues.

The current act has been criticized for not clearly specifying the responsibilities of the federal government and the provinces. Similarly, the conditions under which the federal government will fund provincial crop insurance plans are vague. This lack of clarity has led provinces to form different interpretations of what is permissible. This in turn has led to inconsistencies in the insurance program and varying levels and kinds of protection being offered.

Finally, sound administration is necessary to encourage more producers into the insurance program. Inadequate resources for administration generally results in increased premiums beyond what they should be and could put at risk the financial viability of crop insurance. The new act attempts to rectify this problem by requiring all major elements in the program to be outlined in regulations. We are giving provinces a clear idea of what will and what will not be eligible for federal contributions.

Crop reduction losses can result in financial fluctuations that are not in the long-term interests of either the agricultural industry or individual farmers. We have certainly experienced what has happened to our produc-

ers in this great country as a result of those fluctuations in prices and shortfalls that have occurred, particularly in the 1980s.

The *ad hoc* programs that were there were very unpredictable by nature and have made planning federal and provincial budgets extremely difficult. Producers have never been sure of how much support they could expect from one situation to the next. That has been part of the problem in agriculture. We know that the *ad hoc* programs have been very much supported by the producers but it is very difficult for any type of business, including farming, to establish a long-range plan when you are receiving *ad hoc* programs. Whether it be the borrower or the lender, it is very difficult to forecast the future and that is something that we have to do.

This is the first step we are taking to put that in place. It is one of the areas we are addressing. The financial element is a major component of this measure which we feel will assist in long-term planning for the agricultural sector and we look forward to the other measures that will complement this.

A more sound approach for protecting farmers against production losses is multi-peril crop insurance. Through Bill C-48 the federal government will ensure that crop producers can get the protection of crop insurance they need. We are amending the Crop Insurance Act to make it more responsive to the concerns of the provinces and producers.

As we approach adjournment at the end of the season, we would certainly hope that we could give consideration very rapidly to this bill at second reading and send it to committee so that it would be able to work on this legislation as soon as the House resumes in the new year.

I know that the producers of this country are anxious to have this legislation in place, to work with the provinces and have the protection and assurances that we need for the 1990 crop year. I think that will give the producers of this country a lot more confidence in planning for their future.

Hon. Ralph Ferguson (Lambton—Middlesex): Madam Speaker, I rise today to speak on the crop insurance bill. I have to concur with the parliamentary secretary that the producers want this legislation in place, but not in this form.