

*Government Orders*

What we want to do is ensure that the province contributes 25 per cent and we will contribute 25 per cent, and that will be enshrined in each of the respective agreements. I think that in itself should give hon. members comfort and assurance that we will fulfil and uphold our obligation.

• (1550)

Therefore this particular clause would be inconsistent and it could have the effect of violating a fundamental principle that is enshrined in the bill.

**Mr. Stan J. Hovdebo (Saskatoon—Humboldt):** Mr. Speaker, I want to follow on the minister's comments. For the last year and a half that we have been discussing this particular bill, the federal government has been making a good point that it is 50 per cent, 25 per cent and 25 per cent.

However, if there is a reduction by the provinces under the present structure of that particular clause, there will be an equal counter-reduction by the federal government and the information that we have been passing out around the country will be wrong. Instead of producers being 50 per cent, the producers will be 80 per cent or whatever is the decision. If they go down to 10 per cent or 15 per cent, then we would have a situation which would no longer be the situation with which we have been dealing for a considerable length of time.

The minister made the point that they can put into the contract an assurance that it would stay at 25 per cent. All this particular amendment does is make sure that the federal government in its contract with the province will put it in at 25 per cent because if it does not the cost sharing will break down.

Consequently, it seems to me that all we are doing by passing this particular amendment is making sure that the 50, 25, 25 and 50 per cent of the administration costs will happen. In other words, we are fulfilling the promises we have made to the producers across the country.

**Mr. Lyle Vanclief (Prince Edward—Hastings):** Mr. Speaker, I have just a brief comment. I do not know whether it is in order for me to ask the minister to make a clarification.

**The Acting Speaker (Mr. Paproski):** Yes, it is.

**Mr. Vanclief:** Following on the comments of the previous speaker, what the minister said in his comments a minute ago if I understood him correctly was that the

wording of the bill at the present time is up to 25 per cent. If a province were to make a decision for whatever reason to back off to 15 per cent, then this legislation would allow the federal government to back off to 15 per cent. This would be a total contribution to the premium cost of 30 per cent, leaving 70 per cent to be picked up by the producer.

I would like to stress to the minister that this is a concern I have heard from many producers. Given the criticism that many of our agricultural programs are coming under in the world and given the trading situation at the present time, this may very well be an action that could be taken by a government in order to quell concerns and to satisfy people. That is the concern of producers.

If we take this to the extreme, it could go down to zero and zero, and the federal and provincial governments would simply split the administrative costs fifty-fifty while the producers would have to pay 100 per cent of the premiums. I am not saying that is the intention of this government or of any government, but the way I understand the legislation it is not an impossibility for that to happen legally or for it to go down to 1 per cent. What is the guarantee that it will not go down, down and down?

**Mr. Mazankowski:** Mr. Speaker, I do not want to be indifferent because I know what the hon. member is driving at. The principle he outlines in terms of the federal government's share is pretty clear in our own mind. These are set out in the respective agreements that we negotiate with each of the provinces. Each of the agreements varies in some detail. We lay out here the terms and conditions under which we reimburse and refund, bearing in mind that crop insurance is a provincial responsibility and a provincial program.

What we are defining here are the criteria under which the federal government shares in the cost. The principle of equal sharing is inherent throughout this particular piece of legislation. It is based upon the premise that 25 per cent of the funding will be paid by the province and 25 per cent of the funding paid by the federal government. I have indicated that that is our commitment. It stands on that basis.

On the basis of the legal requirement and the review of the Department of Justice, in order to be consistent and in order to maintain the principle of equal sharing it