

are saying that the problem with this bill is that we will not get the same kind of coverage because the premium costs will be so high.

We are not even guaranteed as is in the existing bill that the government will provide even 25 per cent. If the government drops that on some whim to 20 per cent or lower, provincial governments or farmers will end up with a major new cost as a percentage of the total premiums to be paid.

The amendment we have before us would at least ensure that the federal government is to provide 25 per cent of the costs. This is a good amendment. I hope that the government will accept it. It does not require any change in the royal recommendation because it provides up to 25 per cent now. All the minister has to do is accept the amendment and farmers will at least be assured that the federal government is making a commitment to ensure that at least 25 per cent will be paid under the cost sharing arrangements with the provinces and the producers under this legislation. I hope that the government will accept this amendment.

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture):** Mr. Speaker, I can certainly appreciate the intent of hon. members, both the hon. member who proposed the amendment and my hon. friend across the way from Algoma.

What is important to remember is that the wording has been chosen very carefully because it has to be consistent with the provisions contained within the clause itself. It preserves the very important principle of equal sharing between the federal and the provincial government.

Bearing in mind that crop insurance programs fall within provincial jurisdiction, the federal government actually reimburses moneys to the provinces that have advanced the federal share of premiums to their respective insurance agency. In order to get a full appreciation of this, Mr. Speaker, you have to go back and read the beginning of Clause 4 which talks about contributions. It really reflects my earlier statement when it states:

The contribution payable to the government of a province in respect of a year in relation to an insurance scheme shall be an amount equal to

### *Government Orders*

the aggregate of (a) 50 per cent of the expenses incurred by the province in that year in the administration of the insurance scheme—

That is 50 per cent of the cost of administration and it continues:

— and (b) an amount equal to the share of the premiums paid by the province under the insurance scheme in that year, up to a maximum of 25 per cent of all premiums paid under the insurance scheme in that year.

What we are enshrining in here is the principle of 50 per cent of the cost of administration and up to 25 per cent of the share of the premium paid by the province under the insurance scheme in that particular year. The words in this clause have been chosen very carefully to reflect the fact that we must have the flexibility to match the amount paid by the province in the event a province were to elect to pay less than 25 per cent.

We have no intention of reducing our share, but if in the event a province did, we would have to comply consistent with that principle of equal sharing. This is a matter of upholding a principle and of maintaining consistency. We have to be consistent with the principle that underlines the program and is contained earlier in the clause I just quoted.

I should say as well that at our request the Department of Justice has reviewed the clause. It has pointed out that subparagraph 4(1)(a)(ix) at page 3 sets out the elements that are to form part of an insurance scheme established in the province in order for the scheme to qualify for contributions. This is driven by the provincial government and these are the conditions that have to be set out for the federal government to participate.

If we look at subparagraph 4(1)(a)(ix), at the top of page 4, we find that it outlines the manner of determining the premiums to be paid under an insurance contract and the share of those premiums to be paid by the province. Under that particular provision of the bill it provides that the share of premiums can be spelled out in the federal-provincial crop insurance agreements.

I want to assure all hon. members in the House and the country that we will be ensuring that a clause is put into each agreement with our provincial counterparts to the effect that both levels of government will be contributing 25 per cent. I have no difficulty with that whatsoever.