

Government Orders

is not guaranteed, and that is what the hon. member is seeking to do in this amendment.

There is great concern in the country that historically Canada has paid 50 per cent of the premium, farmers have paid 50 per cent, and the provincial governments outside Newfoundland and Quebec where this particular arrangement has been in effect have paid only the administrative costs.

In this bill we not only have the government reducing its share of the premium from 50 per cent to 25 per cent. We do not even have a guarantee that it is going to pay 25 per cent, and that is what the amendment attempts to do. Practically every farm organization in this country from the prairie pools to the Ontario government, to corn producers, to soybean producers have asked that the percentages be 33, 33 and 33.

For the life of me I do not understand why the government did not accept those amendments, or why it brought in a bill like this one. The government and every farm organization would like very much to get away from *ad hoc* programs such as the Special Canadian Grains Program and the drought program. They would have cost the government some \$850 million in the case of drought and, in the case of the special grains program, \$1 billion two or three years in a row.

Yet we bring in a crop insurance program that goes to the higher percentage of coverage, from 70 per cent to 90 per cent and in some cases from 80 per cent to 90 per cent coverage. It makes a number of other improvements, yet the premium is increased so dramatically that the question is whether farmers will take out the coverage.

At the same time we see the government chiselling away and deciding whether it is going to provide 33 per cent or 25 per cent. In the case of this amendment, it is not even going to guarantee that they will provide 25 per cent. It may be less at some time in the future. This would leave the provinces in a desperate situation.

In provinces like Prince Edward Island just switching from administrative costs to 25 per cent puts them in an impossible situation. Nobody knows exactly how in the world they are going to meet their share because it goes from about \$150,000 a year to \$650,000 a year. That is half a million dollars, which for larger provinces might

not be a big cost but for provinces like Prince Edward Island with 130,000 people is a major cost.

• (1540)

We have pleaded with the government. Our amendments have been ruled out of order. I think the government is nickeling and diming and cutting the thing tight for producers and small provinces. A bill which theoretically would work will not work because premiums are so much higher. I do not have all the figures, but for corn the premium rose from something like \$5.70 to \$10 an acre. That is almost a 50 per cent or 60 per cent increased cost per acre to move from an 80 per cent coverage to a 90 per cent coverage.

Besides that increased cost for those producers, provinces like Prince Edward Island are going to have great difficulty. They are hoping that through cost shared arrangements or some other deal the government can slip them \$500,000 under the table rather than cost sharing it on a proper basis up front.

When the ministers of agriculture met last year in Saskatoon, it is interesting that provinces like Prince Edward Island, New Brunswick, Ontario and British Columbia opposed it. There was no change in the existing legislation as far as Newfoundland and Quebec were concerned. Producers across the country opposed it. Yet we ended up with this cost sharing arrangement which will only mean that we will have to bring in special drought assistance programs whenever there is a national disaster such as we had in 1988 and in 1989. Provinces like Saskatchewan, Manitoba and southwestern Ontario have already demanded crop assistance for 1989 as well as 1988. We can understand it in the case of corn producers. If we look at their net margin and the volume, their returns as a group are almost the same in 1989 as they were in 1988.

The Minister of Finance can come into the House as he did in April 1989 and say that he is going to save \$200 million in crop insurance because he is going to off load on to the provinces. We see provinces like P.E.I. facing an increase of almost 400 per cent in the cost of its premiums.

That is a serious problem for those provinces, but equally serious is the fact that many responsible farm organizations—the Canadian Federation of Agriculture, the Ontario Corn Producers, and many other groups—