

Government Orders

That destroys the credibility of the whole three-stage level of support, especially with net farm income dropping by over 50 per cent this year. Many farmers feel they have to take the Gross Revenue Insurance Program, even though the premiums are very high, because of the tremendous uncertainty and the question in their minds is: "Is the government really going to provide any additional assistance?"

Today the minister had a backbencher put a question concerning western grain stabilization fund. He announced that there was going to be \$158 million distributed under the western grain stabilization fund this spring. That would be an interim payment in this particular crop year. It sounds like a lot of money. When we realize that net farm income is dropping by \$2 billion, and the minister's own advisory committee on interim financial support is recommending at least \$1 billion or \$1.2 billion, it is not very much. Unless the minister comes through with a major payment, the situation this spring for literally tens of thousands, hundreds of thousands of producers is going to be very bleak.

On this side of the House we are concerned about executive federalism, where the government gets legislation like this which puts it in the position to make all kinds of deals without hardly a nod to Parliament. Fortunately, the government has accepted a couple of amendments from this side of the House. One is by the member for Prince Edward—Hastings recommending that there be an ongoing review of the legislation. The one that provided specifically for a review and report to Parliament by 1993 was not accepted, but we hope the amendment that was put by the hon. member for Prince Edward—Hastings will have the effect of providing that kind of interim review.

• (1630)

I do not think there is very much confidence among producers as to what is going to happen with this legislation. I am told that in the central part of Alberta many producers will not take the program. I met with a number of producers in western Canada over the weekend and the split was interesting. Some were going to take the program because they were in such a desperate situation. Others who were in a stronger position financially said they saw the benefit this year, but thought they would be paying for four years and, at the end of the day,

they would not profit much by enrolling in the program. So there is great skepticism and great uncertainty.

The one amendment, which was put by our side of the House and accepted, provides for the government to be required, with the concurrence of the provinces, to table each agreement. At least we have the agreements with whatever number of provinces take it on.

There is great concern that the legislation will not be national in scope. There is provision for it. We have some five or six provinces who have, so far, indicated they will take the Gross Revenue Insurance Program, but only one has agreed to take the Net Income Stabilization Program, that being Saskatchewan. Whether the program will ever be national in scope the way that the western grain stabilization and the Agriculture Stabilization Act worked in tandem, only time will tell. That is part of the uncertainty with the whole arrangement.

The bill sets out laudable objectives: it should be market neutral; it should be production neutral; it should respect our international trade arrangements; it should be environmentally sustainable. Yet some groups who came before the committee were able to put very convincing arguments that none of these objectives will be met, at least in the initial year. That is why the need for a very capable and competent review.

Already there are important and credible agriculture forecasting groups saying that the bill is going to encourage greater production of wheat and it is going to ignore market signals. It would be most unfortunate if that were to occur this year when wheat is at \$2.50 a bushel rather than \$4 or \$5 a bushel and that should not trigger a signal for an increased production of two million acres of wheat rather than a reduction of one million acres of wheat as probably would have happened without the GRIP program being in place.

There are a number of other amendments which the government did not accept. One is to protect the integrity of individual producer's income tax confidentiality. This bill will provide that the ordinary crop insurance authorities in each province will simply be able to trigger an individual producer's income tax files. I am not sure that is necessary or desirable. I am sure it is not desirable and I doubt that it is even necessary.