

Government Orders

That is all this government has done—consult. It did not receive the consent of the provinces.

This bill will do injury to P.E.I. and New Brunswick. The objectives and reservations these provinces have should be addressed before the bill is passed.

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): Mr. Speaker, I have a brief comment. On the weekend I had the opportunity to look at the new insurance program as it affects Saskatchewan and the people in our area. The purpose of the bill is to improve the coverage in order that it be more comprehensive for the farmers. It does exactly that. In fact the farmer can choose to increase his coverage up to 80 per cent, in the case of Saskatchewan, if he cares to. He can insure at 70 per cent, as has been the case, or he can insure at a lower percentage.

The cost of the insurance, at least as it affects the farms with which I am acquainted—and I had an inquiry on the weekend specifically on this—is the same as it was last year. If you increase the insurance, of course your coverage is going to be higher. But it is much more comprehensive and it certainly gives the farmer a greater opportunity to cover his operation by insurance.

I spent about one hour with the people who are administering this provincially and I felt very positive about the program. It certainly contains extensive coverage. I have not heard anyone on the opposition side indicate how the program works. As I say, I had a first-hand look at how it applies in Saskatchewan. I do not know how it applies to other provinces because each province has some input on the way the program works in that province.

There was a suggestion made that there was too much centralization. Well, we must realize that farming in Saskatchewan is quite a different situation.

Mr. Mills: Decentralization.

Mr. Gustafson: I believe the hon. member made the comment that there was too much centralization.

Mr. Mills: No.

Mr. Gustafson: Then I misunderstood his comment.

Mr. McGuire: Mr. Speaker, I am getting my information that the program will not be used as much in Prince Edward Island as was the old program from the provincial government itself. It has asked Agriculture Canada to calculate what the new system of 10 per cent deducti-

bility would do to premiums in P.E.I. To this point the federal Department of Agriculture has not come up with the two different sets of figures. However, according to the province's own figures, the changes to this act will act as a disincentive to the farmers in Prince Edward Island. This is why they have been holding out trying to get a better deal for them as compared to other provinces.

It is interesting to note that the proposal that Prince Edward Island, New Brunswick and B.C. came up with, and to which the provinces of Quebec, Ontario and Newfoundland agreed, was killed by the province of Saskatchewan. I am not really sure what difficulty they had with the arrangements that these three provinces were proposing, but they did succeed in negating the progress which these three provinces were making in order to come to a better deal with the federal government under these new regulations. I cannot really comment any further than that.

• (1740)

Mr. Maurice Foster (Algoma): Mr. Speaker, I just want to reiterate the problem that most farmers are facing. I think the Parliamentary Secretary to the Prime Minister had indicated that for an increase of \$4,300 you could move from 70 per cent coverage to 80 per cent coverage. Although \$4,300 to the Parliamentary Secretary to the Prime Minister is really a drop in the bucket, practically small change, to the average producer it is a very significant increase. This would be on, say, 1,200 acres of wheat production.

Producers across the country, including the Canadian Federation of Agriculture which represented the Pools before the committee, were arguing that if we had a three-way split on the premiums with the farmer, the federal government and the provincial government each paying a third, we could have that same kind of coverage, 80 per cent coverage in Saskatchewan for the \$5,700, which was the premium paid for 70 per cent coverage last year. You would be able to move up because you would be splitting it three ways. The average producer will have difficulty paying that extra \$4,300 to move up to the maximum coverage which is 80 per cent in Saskatchewan from 70 per cent last year.

The argument we are making is that we are just perpetuating the idea of more *ad hoc* programs. We are trying to get away from *ad hoc* programs but, because the cost of the premium has gone up so much to move to the higher percentage coverage, the government is going to