

Farm Income

● (1522)

There is a desperate need to revise the valuation day values, taking into account inflation and other factors which have added artificially to the real production potential value of farm lands. I believe that a once in a lifetime exemption should be available, and it should be available now. Serious consideration should be given to the whole application of capital gains taxation as it relates to farm lands to determine its long term effect and its relationship to, and influence on, farm prices.

We want to know, Mr. Speaker, what efforts are being made in co-operation with commodity organizations to seek out and develop new markets abroad. What effort has the government made to increase the number of personnel trained in and knowledgeable of the agricultural industry and charged with the sole responsibility to promote trade in our embassies and trade offices throughout the world? Perhaps the minister will give a firm commitment to the establishment of an agricultural products export division to work with and assist commodity groups to explore and develop market possibilities abroad.

There still remains, Mr. Speaker, the need to encourage and assist our own marketing boards and marketing commissions so as to place greater emphasis on market development and sales promotion of their own products. We want to know what action has been taken by the government in that regard. Producers want to know what plans the government has to reverse the erosion of responsibility from the Department of Agriculture to other government departments, and producers now under orderly marketing systems want and deserve a clear exemption from the government's latest competition bill. They want this government to take seriously their obligation to contribute far more substantially to research and development funding. Canada's contribution in this regard is nothing more than shameful. No investment can be made today that will pay greater dividends in the future than moneys invested in research and development.

This government continues to ignore the Senate committee report on this subject which recommends an expenditure of 2.5 per cent of the gross national product by 1980. I suppose as we stand here we could look for 1985, but Canada spent less than 1.2 per cent of its gross national product. This is substantially less than comparable expenditures in France, Germany, Japan, Sweden, the U.K. and the U.S. Expenditures in these countries range from 1.7 to 2.4 per cent. In the biological science area the average National Research Council grant was only 6 per cent larger than in 1969 but its purchasing power was 40 per cent less. We are told by qualified people that as little as 4 per cent of total funds are actually available to do research work. The agricultural industry and particularly the primary sector cannot continue to function at the efficiency it has achieved today in the absence of a concerted effort adequately to fund areas of new crop varieties and production methods. This is particularly true in areas such as eastern and western Canada.

One of the fundamental requirements of an efficient food production system is a sound, adequately financed and well co-ordinated research and development capability. We have

[Mr. Wise.]

that potential, Mr. Speaker. We have the facilities and the resources and we possess an excellent intellectual group of scientifically trained academics as well; but we run the high risk of losing this latter resource if proper and prompt action is not taken. My colleagues will be enlarging upon this and making additional suggestions and recommendations in the very limited time available to us this afternoon, but the fact remains that farm income has fallen, and fallen dramatically, since 1975.

It is evident to all that the programs and policies of this government are undermining the agricultural industry. They are not building the industry, they are not developing the industry, and they are not strengthening the industry. The policies of this government serve neither the producer nor the consumer. They weaken our whole Canadian economy.

Canadian producers have accepted and will continue to accept their responsibilities and rise to the challenges that face them. But the time is limited. What is needed now is a government that recognizes the economic state of the industry today and is prepared to respond to that issue in a manner which ensures not only the survival of the industry, but its expansion and growth for the benefit of all Canadians and, indeed, for others throughout the world.

Mr. Derek Blackburn (Brant): Mr. Speaker, I would like, first of all, to extend my appreciation to the hon. member for Elgin (Mr. Wise) for bringing this motion before the House on an allotted day. Most of the farm community in Canada has been neglected for a long time. A lot of people who live in the cities of our nation when driving through rural areas see a big combine or tractor or a big barn and so on. They do not realize that young farmers, even those who have been in the farm industry for many years, are paying off tremendous mortgages on their farms and paying high prices for their machinery. The countryside may look to the non-farmer as if it is prospering, but if you talk to farmers you will know that they are not prospering in most instances.

The state of our farm economy affects all Canadians, and I welcome the opportunity to contribute to the debate on such an important and, unfortunately, neglected issue. I say neglected because, despite all of the media attention and fuss over Canada's supposed national food policy and the recent food strategy conference here in Ottawa, the government has so far failed to address the real problem confronting farmers today. The government's track record to date has been a classic case of much talk and very little action.

We all know times are tough for farmers across Canada, and indications are the situation is going to get worse. Farm incomes have declined for two years in a row, and the Department of Agriculture predicts net farm income will drop by a further 6 per cent this year. Farm incomes in 1977 were already down 11 per cent from 1976—a year which could be described as one of the darkest for Canadian farmers across this country in recent history. During that year farm incomes plummeted to 20 per cent below 1975 levels.