

Farm Improvement Loans Act

prices last year. Increased farm value accounted for about a third of supermarket food increases.

In this scenario, with farm operating costs rising more rapidly than the cost of living index, with farmers receiving a lesser percentage of the consumer dollar spent on food, farmers do not represent the most attractive credit risk to commercial lenders. Some type of government intervention is required if Canadian agriculture is to survive, and survive it must if our nation is to prosper and remain sovereign and independent.

We have allowed this energy rich nation to become subjected to the whims of foreign interests simply because we have neglected our own potential. Both price and supply of petroleum products are now outside our nation's control. We certainly must not allow agricultural production to suffer the same type of gross national indifference by a government more concerned with its own political well-being than it is with the well-being of the nation.

The orchard tractor which I bought last month cost my orchard company \$14,300. Today, less than one month later, that very tractor is priced at \$15,750. This is an increase in price of \$1,450 in less than 30 days.

We are becoming immune to shock when it comes to price increases from day to day. Our wives see and report what is happening on supermarket shelves. But the price of the tractor that I have just purchased puts the whole of this act in more dramatic perspective. To examine what the price of that tractor unit was just three years ago when this act was last amended, the tractor—a 50 horsepower unit—that cost \$14,300 last month and which today costs \$15,750 was available just three years ago for \$8,400.

Mr. Whelan: What did you trade in for it?

Mr. King: I am sure that this pattern of equipment pricing increase is duplicated across Canada in all types of farming activity. It certainly is not a phenomenon endured by fruit farmers alone.

I did not catch the interjection made by the minister, but I will be happy to discuss it with him after.

Thus we can say with some considerable conviction that the increase in the maximum lending limit from \$75,000 to \$100,000, while moving in the right direction, does not in fact keep pace with the rate of inflation which this government has imposed upon our nation and on our farmers by its undisciplined spending regime. We should, therefore, look at this aspect of the legislation to ensure that we are providing financing adequate to meet the requirements of today's costs and today's farming technology.

The April, 1980, edition of *Country Life* quotes from the British Columbia federation of agriculture presentation to members of the legislative assembly of British Columbia. It reads as follows:

The federation delegation told the MLAs that inflation and increasing interest rates are two of the most important issues currently facing farmers. They claimed that agricultural production is particularly susceptible to both because

there is no guaranteed relationship between inflation and the level of farm commodity prices.

Food production is one of the most capital intensive sectors of our economy . . . B.C. farmers have over \$1 billion in loans out.

I would point out, Mr. Speaker, a contradiction which exists in this government's policies towards farm economics. The Minister of Agriculture (Mr. Whelan) this morning in his address to the House asked for the support of the House in favour of the passage of this bill. I would assume that since this is one of the few matters brought before this House which can be supported without great offence to one's conscience, that passage will be assured within the normal time-frame.

I would, however, like to point out to the minister that the grape growers and wine producers of British Columbia, who can make little use of the benefits of this act, would very much prefer to see the rescinding of the repressive tax measure applied to the wine industry as contained in the recent and infamous mini-budget. The effect of the tax is to directly cost the grape producers the equivalent of \$180 a tonne, and this on a commodity worth \$400, \$500, \$600 to \$700 a tonne. The B.C. wine industry, which is determined to establish its place in the quality wine market, will, of necessity, pass on some of this added tax burden to the grape producer. In establishing themselves in a market dominated by imported product, our local wine producers are unable to pass the tax on to the consumer.

So we have here, Mr. Speaker, a situation in which the Minister of Agriculture proposes to help agriculture, while the Minister of Finance (Mr. MacEachen) proposes to make it difficult for this one segment of agriculture to continue.

Let me point out to the House some government financial initiatives which have been of great value to the farming community in the riding of Okanagan-Similkameen. I speak with knowledge of the ARDA program which has been the instrument by which most of the irrigation districts and municipal irrigation works have been upgraded, improved and expanded. Without the joint federal-provincial program, it is safe to say that farmers in the B.C. interior drybelt areas would have been hard pressed to remain in business. It is entirely safe to say that the total economy of central British Columbia has been enhanced and stabilized by the application of ARDA to the water supply systems of that area.

Another federal-provincial program with which I am entirely familiar is the crop insurance program. I was an employee in the ministry of agriculture in B.C. in the crop insurance branch from its inception. I say without equivocation that this program has been of most significant value to agriculture in B.C. and throughout Canada.

The Farm Credit Act has provided the means for farm acquisition and expansion. The cold storage assistance program has had great application in the Okanagan Valley, as the minister is aware, creating jobs and giving the industry an opportunity to progress to its present high state of performance.

Let me use this debate forum to reinforce the fact that as the farm economy in Okanagan-Similkameen prospers, the