

THE ROYAL ASSENT

[English]

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Madam Speaker, it is the desire of the Honourable Deputy to the Governor General that this honourable House attend him immediately in the chamber of the honourable the Senate.

Accordingly, Madam Speaker with the House went up to the Senate chamber.

● (1300)

And being returned:

Madam Speaker: I have the honour to inform the House that when the House did attend His Honour, the Deputy to His Excellency the Governor General, His Honour was pleased to give, in Her Majesty's name, the royal assent to a certain bill:

Bill C-29, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1981.

It being one o'clock, I do now leave the chair until 2 p.m.

At 1.05 p.m. the House took recess.

● (1400)

AFTER RECESS

The House resumed at 2 p.m.

GOVERNMENT ORDERS

[English]

FARM IMPROVEMENT LOANS ACT

DEFINITION OF "MINISTER"—INCREASE IN PRINCIPAL AMOUNT OF LOANS

The House resumed consideration of the motion of Mr. Whelan that Bill C-27, to amend the Farm Improvement Loans Act, be read the second time and referred to the Standing Committee on Agriculture.

Mr. Fred King (Okanagan-Similkameen): Mr. Speaker, I am not entirely sure where I left off prior to the adjournment, so I shall resume my remarks by referring to the fruit packing business.

In 1964 the fruit packing house of which I was president modernized to the level of that day at a cost of less than \$100,000.

Mr. Knowles: You told us that before lunch.

Mr. King: I just wanted to make sure everyone here understood my position with regard to that accomplishment.

Farm Improvement Loans Act

Mr. Knowles: At least I was listening to you.

Mr. Kaplan: Don't let the NDP intimidate you.

Mr. King: Never—nor the Liberals. Five years ago, while a director of the Oliver-Osoyoos Co-op Growers' Association, a major efficiency related project was undertaken. This brought to the Okanagan and to Canada for the first time, a totally new concept in fruit handling techniques, the most advanced of its kind in the world. This was accomplished at a cost of \$1.25 million; to move to that standard of mechanization today would cost in excess of \$2.5 million.

I mention these investment patterns in farm enterprises in which I have been very closely involved to emphasize the nature of modern day farming and the absolute imperative of adequate financing provisions such as we are debating today. Government supported legislation is absolutely necessary because the market place is not serving farmers adequately.

Where in the act is there provision to correct the objectionable aspects of the bill which have been the subject of comment on many occasions previously when the act was reviewed? I refer to the fact that banking institutions are entirely free to deny loans to farmers for reasons other than security of loans. The suggestion has been made that if banks are given a guarantee under the act—and they are—then there should be some obligation on their part. Perhaps this is one aspect of the bill which should be given scrutiny during committee examination.

I should like to quote remarks made by the hon. member for Fraser Valley East (Mr. Patterson), as recorded in *Hansard* on May 2, 1977. At that time he said:

The extreme difficulty faced by young people endeavouring to establish themselves in agriculture is... a major problem. So as one examined the provisions of this bill, one finds that it does not seem to include any changes which take into account the difficulties of those engaged in agriculture. The bill does not seem to envisage the taking of new initiatives. No new initiatives are taken in the bill which will expand the availability of assistance to the agricultural community. Therefore, all we are considering, really, is another statement in the form of this bill saying that this program is to be continued.

● (1410)

One could say that loan limits are to be increased. I say that the amount provided by the bill is far less than that which is required in order to enable our agricultural community to meet its problems and finance its operations. As it is, farmers face great difficulty in making ends meet. However, we welcome this legislation in so far as it affects the agricultural community, but urge the government to look at new initiatives and new programs which will meet adequately the needs of those engaged in the agricultural sector of our economy.

It is sad to observe that the above remarks, made three years ago, are entirely current today.

I would like to discuss briefly the matter of farm income. Despite the ever increasing costs of food being experienced to the chagrin of the nation's housewives and budget keepers, the difference between what farmers receive and what consumers pay for food, called the marketing spread, widened nearly 12 per cent in 1979. This is the largest increase in five years. The marketing spread, representing charges for handling, processing and distributing a market basket of farm foods, accounted for slightly over half the 10.8 per cent rise in grocery food