

*Seeds and Grain Acts*

which would put the responsibility for the loan on the institution which lends as well as on the borrower.

● (1115)

The Government has gone along with the user-pay philosophy which affects seed growers specifically. The Government did this in transportation and other areas of the farming industry. In the case of the seed producer, the Government has put in place fees which have tremendously increased the cost of production of seed grains. The Government used to provide inspectors to inspect crops in the field and to inspect seeds to ensure the purity of those being sold at a minimal expense to the farmer. In many cases this has now become a much greater expense to the point where seed growers in my area feel that they cannot now afford to certify as much seed as they used to. Consequently, they are now selling uncertified seeds to a much greater extent than they did in the past and they do not get the same return on their products. The effect of the Government's acceptance of the Liberal philosophy of user-pay is to reduce incomes and make some farms much less viable because the cost of inspection of seed grains and meat is being carried by the farmer to a much greater extent.

The capital gains tax exemption, which I mentioned earlier, is a very acceptable program as far as farmers are concerned. The Finance Committee recommended the capital gains tax exemption for farmers and small business only, but the Government bent under the requirements of the larger financial community and gave it to everyone. Therefore, those who needed it the most got it, but those who did not need it got it as well. That has tremendously reduced the amount of taxes which could have been collected from speculative investments. Although that measure is valuable to the farmer, it is somewhat suspect as a national policy of reducing the amount of taxes to be paid by speculators who build themselves condominiums in Florida and make a lot of money through their resale.

● (1120)

As part of its commitment to make it easier for farmers to survive, the Government also promised to reduce or rebate the fuel tax. Although this was done, if one adds the total increases that will have taken place by next year, the farmers will be paying more for their fuel than they were before the Government reduced the fuel tax. Although the Government fulfilled its promise, the important beneficial effect of that reduction disappeared so that farmers are now paying a greater proportion of their input costs to fuel.

It was not long ago when fuel was considered a minor expenditure as far as most producers were concerned. Now it is one of the major expenses, along with fertilizer, chemicals, machinery and taxes.

While the Seeds Act amendments increase protection for the seed grower, they also increase his cost. While it appears that there is some value to the amendments to the Seeds Act, they take away enough so that many seed growers who demanded these amendments are not certain that they will do them much

good. While the Act may protect the quality of seeds, ultimately it may reduce the quality because people will not want to spend the extra amount to maintain it.

I suggest that the Minister of Agriculture and the Minister of State for the Canadian Wheat Board (Mr. Mayer) should be more careful with respect to quality. In western Canada there has been a sudden influx of a considerable amount of dwarf soft wheats which are of very inferior quality. The Grains Commission licensed the growing of HY 320, which can be identified on site as a dwarf wheat because it has a considerable amount of white wheat. However, there is a wide variety of dwarf wheat that is grown in North America and around the world that is almost impossible to identify on site.

While the Government expresses much concern in its Bill about the quality of seed, it has allowed the growing of these dwarf wheats. Farmers will not grow these dwarf wheats purposely but eventually, as this dwarf wheat is mixed with quality seeds of our hard northern wheats, the quality of our product will be reduced. Rather than being able to sell the best wheat in the world, the purchasing countries will consider our wheat as being of no better quality than those wheats which are produced in many other wheat growing areas of the world. We have been able to sell hard northern wheats because they are used to upgrade the quality of flour all over the world. Consequently, we have markets that will remain even when the rest of the production is difficult to sell. Hard northern wheats have always sold. If we get too much of this dwarf soft wheat mixed in with our crops, eventually we will have a difficult time selling it.

● (1125)

The Government has a responsibility. This Bill suggests that the Government is going to take that responsibility seriously because it mentions making quality one of the requirements for seed grains that are sold here. The Government does not seem to be taking this seriously in the sense that we can no longer be sure that the Government will take care of the quality of our seeds. The Government is now allowing soft dwarf wheats to come into Canada for planting and they are being accepted on the market.

We should look at what might happen to the viability of farms if we go into a free trade situation with the United States. There has been a suggestion that a free trade region would be designated between Canada and the United States. I hope the Government, when it does go into the negotiations, which it seems to be leading up to, recognizes that when it comes to free trade in agriculture, we are on somewhat dangerous ground. It is very important that we do not become fortress America. We do not want everybody saying: "You are exactly the same as the States and we can expect the same kind of treatment from you as we do from the United States". Much of the acceptance of our agricultural products and seeds has been based on the fact that we have established a market around the world. It would be too bad if in the process of establishing a free trade area in Canada and the United States