

*Farm Credit Act*

not been taken to assure farmers of the kind of stable level of income necessary to permit them to take advantage of the plan.

**Hon. J. A. MacLean (Malpeque):** Mr. Speaker, in rising to take part in this debate I find myself with many of the apprehensions about the present course of farm policy just expressed by the hon. member for Selkirk (Mr. Rowland). I suppose, therefore, I should thank him for making part of my speech for me.

Having regard to the amendments themselves, in light of the philosophy from which derives most government farm policy in Canada at the present time, I have few serious reservations about them. I feel it is appropriate under the circumstances that the maximum amount of a loan should be raised and that the restrictions, in some cases, placed by the present legislation on farm improvement loans applications, should be repealed. The increase in the total capital of the corporation from \$56 million to \$66 million is no doubt appropriate and will allow the corporation to have lent to it 25 times that amount, which is something like \$1.4 billion. As the hon. member for Selkirk has pointed out, loans should be made in cases where they will facilitate the operation of a farm and not only where they are necessary for that operation. It is important as well that the maximum loan, regardless of the type of ownership, should be at the same ceiling of \$100,000.

There are other good factors such as the continued use of the home, not including the buildings on the farm establishment, for security of the loans, and the adjustment or flexibility in respect of the age of persons making loans, considering the changes which have recently been taking place in some provinces in respect of the age of legal majority.

I support the amendment proposed by the hon. member for Mackenzie (Mr. Korchinski) as I believe it will improve the bill. Having said that, I have grave doubts about the whole direction farm policy is taking at all levels of government in Canada at the present time. Farmers generally have an overwhelming apprehension about the fact that their fate is being sealed by some mysterious backroom boys in the apparatus of government who have little real understanding of or sympathy for the rural way of life, or any understanding or appreciation of the rich rural culture that has contributed so much to Canada up to now and which is now being blotted out. Whether it is being done overtly, unintentionally or represents a change in conditions I do not know, but we should have some control over whether or not that should be the trend. Whether we could have complete control, of course, is another thing.

Coming from Prince Edward Island as I do, I am fully aware that we down there have been sort of the guinea pig for the policies which the theorists would undoubtedly apply to the whole of Canada if they had the chance. When one reads government farm policy he sees that it frequently compares favourably with a treatise on how the New York Rangers should be coached, written by a self-appointed expert of ice hockey who has never been out of Tahiti in his life. I do not think it is necessary that this should be so, nevertheless it is the case.

[Mr. Rowland.]

Let me quote briefly from a statement made by Theodore Geiger, Head of the International Studies Section of the National Planning Association of the United States. This is written in *Dialogue* and is from volume 4, 1971. He states:

The need to be aware of the wide range of social and cultural factors, not commonly taken into account in devising government programs, and the fact that this knowledge depends largely on empirical investigation rather than on *a priori* reasoning, make the problem of involving the small farmers effectively in the economic growth process one of the most difficult in development strategy. Moreover, many political leaders and government officials are inclined to shirk this task not only because of the lack of knowledge of how to do it, but also because they tend to identify the rural commercial-subsistence part of the private sector with the rejected traditional past and to see only its urban industrialized portion as the desired, modern future.

That expresses well the problem which Canadian farmers are up against. Their future and farm government policy it would seem are being devised and brought into being by people who neither understand nor appreciate the value of that type of life or the complexity of problems farmers face. There seems to be among these theorists a worship of bigness. They have over-estimated out of all proportion the economic benefits of scale, and they have pushed the utterly false assumption that if a farmer increases his efficiency he will reap the benefits. This has not been the case. As a matter of fact in the last 20 years or so the agricultural industry has increased its efficiency more than any other industry in Canada, but the farmer is not any better off. He is worse off. This is neatly illustrated in an article in the current issue of *Reader's Digest*, written by H. Gordon Green, former editor of the *Family Herald*, who gives an example of what I am talking about. Dealing with dwindling profits he writes:

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The story of Winston Hansen of New Denmark, N.B., is typical. Hansen grew up in one of Canada's best potato-growing regions at a time when potatoes were planted by hand. The labor to pick the potatoes and put them into barrels was supplied largely by the owner's family and schoolchildren. 'A man who planted 20 acres of potatoes, and had a fair crop, figured he had a good year,' Hansen says. 'The machinery he needed didn't cost much: a couple of hundred would get you a mechanical potato picker,—

I think that should read "a mechanical potato digger". —and if you couldn't afford that, you could use a horse and plow.' But those were the days when a 165-pound barrel of potatoes sold for \$4. or \$5. At that price a man could make his payments and still have a bit of money to put into the bank.

The last \$5 year for the New Brunswick potatogrower, however, was 1950—about the time when Hansen, like many other enterprising young farmers, began his struggle to make up for an ever dwindling margin of profit by becoming bigger and more efficient. Today he plants 225 acres, owns \$55,000 worth of the latest equipment, has his own storage cellars and grading tables. A shrewd soil conservationist, he spends \$60 an acre on fertilizer alone.

'It costs me \$2.50 to produce a barrel of potatoes,' he says. Yet the price for top-grade potatoes at harvest time in fall 1970 was only \$2.25 a barrel.

That was 25 cents below the cost of production, and the sum he received continued to decline until the end of the crop year.

I represent a constituency in Prince Edward Island where there is a big number of large potato growers. Most of these are family farms in a technical sense, but they are