

of the small farm. Perhaps this is because the small farm cannot show the initial capital, and the management skill of the farmer is doubted by the farm credit official. The farm credit official must make judgments and must often make loans to quite young farmers. Unfortunately, many of these young farmers have not yet attained the ability or management skill to cope with a change of circumstances such as an unexpected fall in prices or a crop failure. Also, the young farmer or perhaps his wife may not wish to remain on the land and this creates some difficulty.

One of my greatest concerns is the lack of diversity available to the prairie grain farmer should there be bad times for his grain growing enterprise. In the past, a grain farmer could keep some pigs, milk cows, turkeys or cattle to supplement his income and have a truly mixed farm. One of the advantages of low capitalization where a farmer's labour content was high was that he could change over his barn to keep hogs, chickens or milk cows at a small expense. However, in recent years, this avenue has been closing for the individual farmer. The proliferation of marketing boards, quotas and so on has seriously reduced the elbow room which enables a farmer to change his farming ventures and keep his head above water.

By means of quota restrictions, the Canadian Dairy Commission enthusiastically and effectively moved the farm separated cream industry out of western Canada and gave the quota to the province of Quebec. We now have the situation where the province of Manitoba is a dairy deficient area, into which seven million pounds of butter are shipped at the taxpayers' expense and where many farmers are asking for a cream quota. The answer of the Dairy Commission is that a small producer of 600 or 700 pounds a year is inefficient, and that these people would be better off if they were phased out. Their quota should be reserved for the larger and more efficient operator. But the fact that a producer milks cows by hand for a few hundred pounds of butterfat each year does not mean he is inefficient, particularly when it helps to keep groceries on the table. In my own riding failure to obtain a quota has meant that some families have left agriculture when they might well have remained on the farm. This has been particularly so over the past few years when returns from grain have been so poor.

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In Bill C-176, the government has paved the way for the establishment of marketing boards which will control the industry by means of quotas. As I see it, imports will also need to be controlled in order to keep the market stable. It will, of course, be necessary to ensure that quota holders are reliable and able to produce the amount their quota calls for. This inevitably means that the small producer will get short shrift from marketing commissions and boards, because the commission will require reliability. The bother of supervising many small producers will be too great for them. In my own province of Manitoba, a person cannot turn to cream production at the present time because there are virtually no quotas available. The few which do become available are from farmers who retire or who sell their farms.

The number of turkeys which a producer is allowed to raise without applying for a quota is somewhere between

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200 and 300. Again, in the area of broiler production, efforts at curtailment appear likely, and, obviously, under the direction of a national marketing broiler board, the farmer who might be primarily a grain farmer but who wished to augment his income by broiler or chicken production will be out of luck, especially if his operation is of the so-called family farm size. The operations of the egg marketing board will have a similar effect. Regulations in the interest of public health further restrict a producer's ability to move into egg production.

The hog commission in Manitoba is already instituting a quota system. In this case, hog producers will not be able to get quotas from their neighbours by buying them, or being given them. The commission seems intent on maintaining the privilege of allotting quotas. What does this mean? It seems that quotas will be given, not on the basis of fitness or ability to produce, but at the whim of the head of the commission. He may turn down a farmer because he does not like him personally, or because he is of a different political stripe, or because he wears a green tie. This, again, will seriously restrict the ability of a farmer to diversify his income should he encounter difficulty in meeting his loan payments. Cattle raising remains. But with the passage of the marketing bill, it appears it will only be a matter of time before the supply of finished cattle from western Canada is reduced in order to allow more of the finishing to be done in eastern Canada.

What remains for a farmer whose grain growing operations are in a bad way and who is unable to meet his loan payments? What alternatives are available to him? Obviously, the only real alternative, if he does not possess a quota entitling him to produce, is to work off the farm or to send his wife out to work. I do not think this is the best means of retaining a viable and efficient farming industry. It occurs to me that by establishing marketing boards, applying quota restrictions and so on, we are building up a bureaucratic apparatus which will not serve us very well. We ought to look at what is happening in the European Common Market. Farm marketing there has been so beset by fees, quotas and so on that the resulting situation is one of the prime reasons for the predicted head-on trade war between ECM and the United States market. In Europe, even the manufacturers are complaining that high agricultural prices are reducing their ability to compete in the world market. We ought to be very careful before moving further in a similar direction.

As to the operations of the Farm Credit Corporation, as far as they affect the grain industry, may I express the hope that loans from the Corporation are not the only means whereby farmers are able to acquire land. I would hope that conventional lending agencies such as banks, credit unions and mortgage companies, continue to have a share of the business. Should the Corporation assume what amounts to a monopoly in connection with farm mortgages, this, to me, would indicate that it is being too generous in its mortgage policy. It would seem to me that a case could be made for giving young farmers, at least once in a lifetime, some assistance in starting a farm either by allowing them a low interest rate for a specific number of years, or in some other manner.