

*Supply—Agriculture*

mainland China, with the purpose of letting Canada and other producer countries know what is ahead for them in terms of markets. This investigation or conference should tell us what crops will be in greatest demand, what we can best produce and what new marketing arrangements might need to be considered.

These are only a few of the questions which must be answered if we are to plan our own production effectively. We need to know what will be developing in other countries, what they will require and what they will produce. There is a new ball game in world agriculture. We cannot continue to act as though nothing had changed. The present failure to keep markets is bad enough, but the prospect of having potential new markets cut off is very serious indeed.

• (4:10 p.m.)

What disturbs me particularly is the extraordinary casualness and complacency of the government toward agricultural problems. I recognize that these problems are not easy, that in fact they are extremely difficult. The farmers are confronted with the need for a very rapid adjustment to changing conditions. Of course you can only operate effectively in terms of effective long term government policy and not piecemeal policies, certainly not conflicting policies, of governments. Farmers are compelled to make growing investments in their farms to be effective and competitive. They must make increasingly long term heavy commitments. Of course, we had some government policies which enabled the farmers to make these commitments and indeed encouraged them to do so.

If the minister talks about his task force and his conference in March and if, for example, he asks me to be patient and to wait for the outcome of the work of the task force or the outcome of the conference, I want to ask him why he could not persuade his colleague, the Minister of Finance, to wait before he adopted policies which will be very detrimental to agriculture in this country. The changes in estate and gift taxes which the Minister of Finance announced are bound to have a very serious and detrimental effect on the family farm in Canada, and I would like to see the Minister of Agriculture dispute this. The Minister of Finance lowered very substantially the exemptions on estate and gift taxes thereby catching farmers with moderate sized farms and vastly increasing their difficulties, not in making transfers to their wives but in effecting any continuous operation of the farm by the family.

What is the main problem of the family farm? Surely it is to acquire enough capital to be competitive with the big operator, to carry the heavy debt and to pay it off. Obviously this is a growing load on the family farmer in view of the increasing capital that the farmer needs to be competitive today. Obviously the difficulty in securing capital and accepting heavy debt restricts the development of the family farm. The farmer spends all or most of his life trying to get out of debt. In view of the vast increase in the amount of capital that a farmer needs today, it is becoming increasingly difficult for a young man to get started on a farm that is really competitive. Some young men of exceptional ability can do so, of course, but fewer and fewer are in fact able to do it because of the increasing amount of capital that is needed, the increasing load they must assume to do so, and the increasing difficulty they encounter in obtaining the amount of capital necessary to do so.

I say that the government must decide whether it wants the family farm in Canada to be an institution or whether it is content to let things go to the large corporate organizations. I suggest that one serious effect of the proposals of the Minister of Finance will be to destroy the family farm through the years as a continuing institution which is able to hold its own in competitive agriculture in Canada. They will make it more difficult for the family farm to continue and to have under its control adequate capital through the years. Fewer and fewer farms will survive if the Minister of Finance goes ahead with his present proposals.

I ask the Minister of Agriculture through you, Mr. Chairman, whether he accepts this prospect and whether he accepts the proposal of the Minister of Finance to make these tax changes which bear so heavily on the family farmer in Canada. We know that this government has two policies in foreign affairs, one sponsored by the Secretary of State for External Affairs and the Minister of National Defence and another sponsored by the Postmaster General, with the Prime Minister trying to sit in between and enjoy the best of both worlds. This may make the Minister of National Defence and the Secretary of State for External Affairs look a little uneasy, but at least the Secretary of State for External Affairs has invited the public to write in and tell him what the foreign policy of Canada ought to be. I do not think the Minister of Agriculture would dare do that, but at least he is calling a conference.