

Wheat Payments

Even in 1973, which by no stretch of the imagination can be regarded as a normal year, average net income of Alberta farmers was about \$12,100; and of Saskatchewan farmers about \$12,500.

In 1972, a more typical year, average net income of Alberta farmers was about \$5,600; and of Saskatchewan farmers about \$5,400. And the average was lower in 1971 and 1970.

The figures for the producers do not include pension benefits. The figures for the grain handlers do. Therefore, there is a vast difference. Approximately 8½ cents worth of flour, including milling costs, goes into a 24-ounce loaf of bread. At the present time, bread sells for between 40 and 48 cents a loaf, depending on whether it is a private brand or a name brand. In the last year, direct labour cost in the production of bread increased between 17 and 18 per cent. Unless the government is prepared to bring inflation under control, this type of increase will continue year after year; there will be no end to it.

The profits of the bakeries run from zero to 1½ per cent. That is not a great profit. We cannot condemn the bakeries for what they are doing; they are caught up in a series of regulations which are prescribed by government officials and they are being buried under the load. They have great difficulty dealing with these regulations. The cost of packaging, which the modern housewife demands, is up 84 per cent over last year. In addition, I understand that the Department of Consumer and Corporate Affairs is demanding a list, in percentages, of all the ingredients in a loaf of bread. This adds to the cost to the consumer.

On one hand we are trying to do something for the consumer; on the other the government negates that policy by adding controls, regulations and restrictions which increase the cost to the consumer. I mentioned recently in the House that the policy of this government is causing a great deal of hardship to the business economy of Canada. This is an example. Rather than list all the ingredients of the product and their percentages, it would be far better if the government set up a nutrition information bank where information would be available for persons with allergies. There could be a data centre in Ottawa which a person could call to obtain all the details of a product. The bakeries do not criticize the policy that this information should be listed somewhere, but they recognize that it costs a lot of money to do it. This cost ultimately must be borne by the consumer under the present system.

Some consumers can afford to pay a little more for a loaf of bread. In Canada today there is a vast majority who make more money than the producer. They enjoy the benefit of the three-cent subsidy which the western producer in many cases can ill-afford. In my constituency we grow some of the best wheat in Canada. We can grow number one CW wheat most years. Land is selling in the vicinity of \$500 an acre. This is not because industry is trying to buy up the land; it is foreign-controlled money which is purchasing this land. The prairie grain producer has to compete with this type of financing.

Production costs have gone up. The costs of fertilizer, machinery and labour have increased. There does not seem to be any end to the rise in the cost of production for western producers. In my constituency it costs approximately \$50 an acre to put in and take off crop. If land is worth \$500 an acre, and the interest rate is 10 per cent, that amounts to an additional \$50 per acre. This means the

[Mr. Towers.]

producer has a \$100 cost per acre. He must recover this amount before he receives any return for himself.

The cost of repairs is up 30 per cent, and the cost of machinery is up 30 per cent. Not long ago I spoke to a farmer who had just purchased a new swather. It was ordered and delivered in October. On November 1, the price of that type of swather will increase to \$12,000, an increase of 30 per cent. Tractor and combines prices have increased to the point where they now cost between \$25,000 and \$35,000. While the operator in western Canada may have a great deal of wealth, he does not have the opportunity to make use of the return on that wealth because it is invested in his property. He cannot enjoy its benefit until he retires or sells his farm.

There is no guarantee that the western Canadian producer will have a large crop each year. The minister knows very well that for the past three years crops have been getting smaller and smaller. I am sure the minister will agree that crops in western Canada this year will be of lower quality and quantity than at any time in the past ten years. The average yield in the western Canadian Wheat Board area was 25 bushels per acre last year.

● (1520)

The price of wheat is good at the present time. As I mentioned in the debate yesterday, it is \$6.20 per bushel, which means that the farmer will break even, and possibly come out with a small profit. But there is no guarantee. The farmer has to face many obstacles, and when the government imposes restrictions and regulations which are hard to deal with, many problems are created. The western Canadian farmer likes to produce. He recognizes there are approximately 3.9 billion people in the world and that the world population increases by 80 million each year. He recognizes the need to produce more and more as the years go by, if people are to be fed. The average Canadian eats 190 pounds of cereal a year, in one form or another. In India, people eat approximately 300 pounds. But the 190 pounds consumed by Canadians is supplemented by the extra protein we are fortunate to obtain from our red meat diet.

We must never take anything for granted. This is why I am concerned about the manner in which the minister has presented this bill. There has been no attempt to protect the western farmer against escalating costs of production. No provision is made for an increase in the price of wheat used for domestic use. I suggest there are people better able to pay this three-cent subsidy on a loaf of bread than is the producer. We recognize there are people in low income brackets who need assistance. I assure the minister that the western producer is a compassionate person who would not let anyone go hungry if he could prevent it. At the same time, he wants a fair shake.

I trust the minister will accept the amendment we intend to propose at the committee stage in order to afford the producer the protection he so vitally needs, because unless the government is prepared to do something to control inflation, the sky is the limit. The producer has to be protected as well as the consumer.

Mr. Les Benjamin (Regina-Lake Centre): Madam Speaker, in addressing myself to this bill I intend to be